

VERMONT



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ending JUNE 30, 2001

The cover picture of a Westminster spring scene was provided by Howard Rice Jr.

STATE OF VERMONT

**COMPREHENSIVE
ANNUAL
FINANCIAL REPORT**

For the fiscal year ending JUNE 30, 2001



*Howard Dean, MD
Governor*

Prepared by the Department of Finance and Management

Sean P. Campbell, Commissioner

**STATE OF VERMONT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

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STATE OF VERMONT
DEPARTMENT OF FINANCE AND MANAGEMENT
MONTPELIER, VERMONT 05609-0401

LETTER OF TRANSMITTAL

The Honorable Howard Dean, M.D., Governor
The Honorable Members of the Vermont General Assembly
The Citizens of Vermont

It is my pleasure to present to you the State of Vermont's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2001 as required by Title 32, Vermont Statutes Annotated, Section 182. This report has been prepared by the Department of Finance and Management and provides financial information regarding the State's operations during the 2000-2001 fiscal year as measured by the financial activity of the various funds.

This CAFR includes financial information about the State's Component Units. Component Units are legally separate organizations for which the State's elected officials are financially accountable, or for which the nature and significance of their relationship with the State is such that exclusion would cause this report to be misleading or incomplete. Examples of such organizations are the University of Vermont, the Vermont State Colleges, the Vermont Student Assistance Corporation, and the Vermont Economic Development Authority, among others.

To the best of our knowledge and belief, the data included in this report is accurate in all material aspects. This data is reported in a manner designed to present fairly the financial position and results of financial operations of the various funds, the General Long Term Debt Account Group, and component units of the State in accordance with Generally Accepted Accounting Principles.

The State's CAFR is reported in the following four major sections in accordance with criteria established by the Governmental Accounting Standards Board (GASB):

The Introductory Section which contains this transmittal letter, a list of key state officials, and an organizational chart of State Government.

The Financial Section which contains the State Auditor of Accounts' Independent Auditor's Report, General Purpose Financial Statements (combined financial statements and

notes thereto), combining financial statements, individual fund statements, and Component Unit combining statements.

The Supplementary Information Section which contains a ten year comparison of the General Fund and Special Revenue Funds' revenues by source and expenditures by function.

The Statistical Section which presents fiscal, social, and demographic information, generally on a multi-year basis.

The CAFR presents information on the financial position and operations of the state as one reporting entity. The various agencies, departments, boards, commissions, and funds which are governed by the State Legislature and/or constitutional officers comprise the State's "Primary Government" reporting entity and are included in this CAFR. These entities provide a full range of services including: construction of highways, bridges, and infrastructure; education; social and health services; public safety; conservation of natural resources; economic development; and recreation facilities and development.

ECONOMIC CONDITIONS AND OUTLOOK

The national economy is recognized to have been in recession since March of 2001 and while Vermont was, at first, slow to see the effects, it is clear that the malaise is now clearly affecting Vermont as well. Signs in the national economy would suggest that things may be bottoming out, and that recovery, if it has not already started, could be around the corner. The issue is really the rate of recovery and how recovery in Vermont matches or does not match the national recovery. Vermont has lost jobs and several machine manufacturers have gone out of business. At the same time, several critical employers have announced key contracts that will keep them staffed at current levels. IBM, Vermont's largest private employer, has retracted through a number of steps including: (1) first drawing back contracts to do work in house, (2) eliminating overtime, and (3) finally announcing 501 permanent job reductions. Clearly the environmental change in the equity markets is having an effect on rates of personal income growth in Vermont and is therefore, negatively affecting personal income tax receipts.

Considering the economic pressures present nationally, Vermont has held up reasonably well through February, though the uncertainty intensifies as the fiscal year matures. Three times Vermont has adjusted its revenue forecasts for the fiscal year 2002 year end. The effect has been to lower expectations in the General Fund by nearly \$49.5 million, the Education Fund by \$5.7 million, and the Transportation Fund by \$5.7 million. With each reduction further recommendations for reduced spending have also been made. Additionally, Vermont has been able to replace some general fund loss with the use of fund balances from various

accounts. These actions have enabled the State to keep stabilization reserve balances intact as insurance against further decline in revenues in the final quarter of the year.

Echoing much of the nation, Vermont has continued to experience, through the recession, strong consumptive activity in housing and automobiles. Tax receipts in the Rooms and Meals and Sales and Use Tax have been relatively strong despite income retreating. The State is concerned about the contradictory nature of these trends.

Revenue stability is dependent not only on the economy improving, but on the stabilizing of the Vermont income tax structure in the wake of last year's Federal tax changes. While a temporary fix was installed last June for calendar year 2001 and 2002, a more permanent structure needs to be approved and the General Assembly is currently considering proposals that will leave a neutral revenue stance for Vermont as it adjusts to the Federal tax law changes.

MAJOR INITIATIVES

While approaching fiscal year 2002 with trepidation as it anticipated a slowing economy, Vermont closed fiscal year 2001 with positive results. Various General Fund reserves amount to nearly \$83 million, and with reserves in the Education fund and Transportation Fund the State held reserves as of June 30 of over \$113 million. Vermont General Fund revenues through the end of the fiscal year amounted to \$929.23 million. With General Fund appropriations of \$867.6 million the State's year-end position was a positive one. As the Department of Taxes was behind in processing personal income tax returns and associated refunds that reduce revenues, \$33.4 million of tax revenue was deferred to cover estimated 2000 tax year refunds still to be processed. After making the adjustment for unprocessed refunds, the General fund revenues net of appropriations were \$28.2 million. With \$27.29 million moved to reserves, transferred to other funds, or appropriated as a contingency, the State finished fiscal year 2001 with an undesignated surplus of \$4.34 million. The unprocessed returns have now been processed and the actual amount required from the deferred \$33.4 million was \$29.33 million leaving the remaining balance of \$4.1 million to be recognized as revenue. It should be noted that the above deferral for unprocessed returns is not expected to be necessary this year.

Vermont has been able with the benefit of surpluses in the past several years to address many needs through the judicious use of these surpluses for one-time and capital needs. This has afforded Vermont the opportunity to reduce overall debt and to address some issues typically difficult to accomplish in hard times. Vermont's strategy of bifurcated spending, committing

surpluses to other than base needs has positioned it well to weather the downturn, but the era of surpluses and additional one-time spending plans would appear to be in the past. Vermont's bond ratings were reviewed during the fall in preparation for a \$51 million bond offering. The three major bond rating firms reaffirmed Vermont's AA+, Aa1, and AA+, the highest of any New England state.

The General Assembly is currently considering the FY2003 budget proposed by the Governor. The budget does not include any new programs and initiatives save development of a special program in the Agency of Human Services to be administered by the Secretary's office. \$500,000 has been isolated from other programs to be used to address the needs of children with serious and multiple needs who otherwise fall through the cracks of current program definitions. Additionally, the budget proposes the elimination of some optional Medicaid programs and benefits. Overall, the budget proposed is within the limits of the reduced revenue expectations. To meet this test, there are significant adjustments faced in Correction spending, Medicaid, and education. Additionally, the Transportation budget reflects significant reductions in paving and town projects due to the combined causes of reduced revenue generation and a pause in advanced spending of Federal transportation allocations

FINANCIAL INFORMATION

Internal Controls:

The management of the State is responsible for establishing, designing, and maintaining internal controls to ensure that the State's assets are protected from loss, theft, or misuse; and that the financial statements are prepared and presented in accordance with generally accepted accounting principles.

The adequacy of internal controls has been and is a major consideration when developing the state's financial accounting and reporting systems. Internal controls are designed to provide reasonable, but not absolute assurance that the above objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefit to be received from its implementation, and that the valuation of costs and benefits requires estimates and judgments by management.

Budgetary Controls:

The Department of Finance and Management controls the overall levels of expenditures as compared to their appropriated (budgeted) amounts. This control is necessary to ensure that the spending levels as authorized by the Legislature are not exceeded without proper approval. A detailed explanation of Vermont's budgetary process can be found in Section D of Note 1 to the financial statements.

General Governmental Functions:

General Government Functions are accounted for in the governmental fund types that include the general, special revenue, and capital projects funds.

The State's most significant sources of revenues in the General Fund (budgetary basis) are the personal income tax, sales and use tax, and the meals and rooms tax. The following chart presents comparable budgetary basis revenue receipts for the fiscal years 2001 and 2000 (dollars in 1000's).

	<u>2001</u>	<u>2000</u>
Personal Income Tax	\$450,202	\$431,668
Sales and Use Tax	215,099	216,523
Meals and Rooms Tax	79,296	75,163
Other Revenues	<u>151,249</u>	<u>162,119</u>
	<u>\$895,846</u>	<u>\$885,473</u>

The State's most significant areas of expenditures from the General Fund (budgetary basis) are in Human Services and General Education. The following chart compares these expenditures on a budgetary basis for fiscal years 2001 and 2000 (Dollars in 1000's).

Human Services	\$308,055	\$291,039
General Government	53,341	42,893
Protection	53,711	48,538
General Education	41,638	51,231
Other Expenditures	<u>97,308</u>	<u>97,321</u>
	<u>\$554,053</u>	<u>\$531,022</u>

The largest activity for both years contained in the "Other Expenditure" category is Debt Service payments that were \$68.38 million in FY2001 as compared to \$68.69 million in FY2000.

Enterprise Funds:

We added the financial activity of the Vermont Adaptive Equipment Revolving Fund whose activity was previously reported in the Special Funds. We also reclassified the Municipal Equipment Loan Fund from the Internal Service Funds to the enterprise Funds. The Vermont Home Mortgage Guarantee Board's financial activity was removed from the Enterprise Funds as the entity is now defunct. Combined operating results for the State's Enterprise Funds on a GAAP basis remained about the same in FY2001 as it was in FY2000. Operating revenues grossed \$115.79 million, an increase of \$7.88 million or 7.30% as compared to FY 2000. An increase of \$6.2 million in lottery revenues and \$1.85 million in Liquor Control's revenues accounted for almost all of this increase. Total operating expenses for FY2001 were \$99.18 million, an increase of \$10.97 million or 12.44% when compared to FY2000. Increases of \$2.10 and \$8.98 million in Liquor Control's and the Lottery Commission's operating expenses respectively accounted for almost all of this increase.

Cash and Investments:

Cash deposits are managed by the State in accordance with the provisions of Title 32, Vermont Statutes Annotated, Sections 431-434, which defines the types of investments and any limits which may apply. The State Treasurer pools substantially all cash and investments of governmental, proprietary, and agency funds, except for separate cash and investment accounts whose segregation is mandated by law, in order to maximize interest earnings. Separate cash and investment accounts are maintained for pension funds.

The Primary Government's level of cash and cash equivalents as defined in Section E of Note 1 to the financial statements increased approximately \$50.9 million or 7.37% as compared to FY2000.

Debt:

The State may issue general obligation bonds and notes when authorized by the legislature and may guarantee the obligations of other entities and political subdivisions. Bonds may also be issued to defease certain outstanding obligations. Once authorized by the Legislature, the State Treasurer, with the approval of the Governor, may issue the bonds. At year-end, the State's general obligation bonds were rated Aa1 by Moody's Investor's Service, AA+ by Standard and Poors, and AA+ by Fitch's Investor Service, Inc. The state had approximately \$480.4 million in General Obligation Bonds and Notes outstanding at year-end, down from \$527.3 million at June 30, 2000. Additionally, the State has incurred \$152.8 million in direct liability for various other general long-term obligations, up from \$151.4 million at June 30, 2000. Approximately \$770,000 of this increase is due to an increase in the State's unfunded pension obligation.

Self Insurance:

The State generally assumes substantially all risks associated with Worker's Compensation, Employee Liability, Employee Health and Life, and General Liability under state law.

However, the state has minimized its exposure in several of these areas by either purchasing commercial insurance coverage or by limiting benefit claim amounts. Note 16 to the financial statements contains a more comprehensive discussion of these self-insurance programs.

Retirement Plans:

Total net assets at fair value available for benefits being held by the State's three defined benefit retirement plans and one defined contribution plan reached \$2.55 billion at June 30, 2000, an increase of \$190.4 million or 8.1% from June 30, 1999. Total net assets are defined as total assets minus any liabilities the fund(s) may have and are called "Net Assets (At

Fair Value) Held in Trust For Pension Benefits" on the financial statements.

Audit:

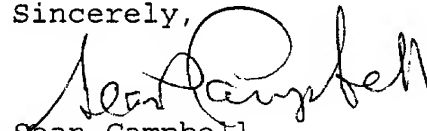
An independent audit was performed by the independently elected State Auditor of Accounts whose "Independent Auditor's Report" is included in the financial section of this CAFR.

The audit described in the "Independent Auditor's Report" above is not intended to meet all the requirements of the Federal Single Audit Act of 1996. Rather, the Single Audit Reports for the State are issued under separate cover.

Acknowledgements:

The preparation of this report would not have been possible without the work of dedicated staffs within the Department of Finance and Management, the Treasurer's Office, the State Auditor of Accounts' Office, and the support of all state agencies and component units, the Legislature, and the Judiciary. We welcome all inquiries concerning any of the information contained herein.

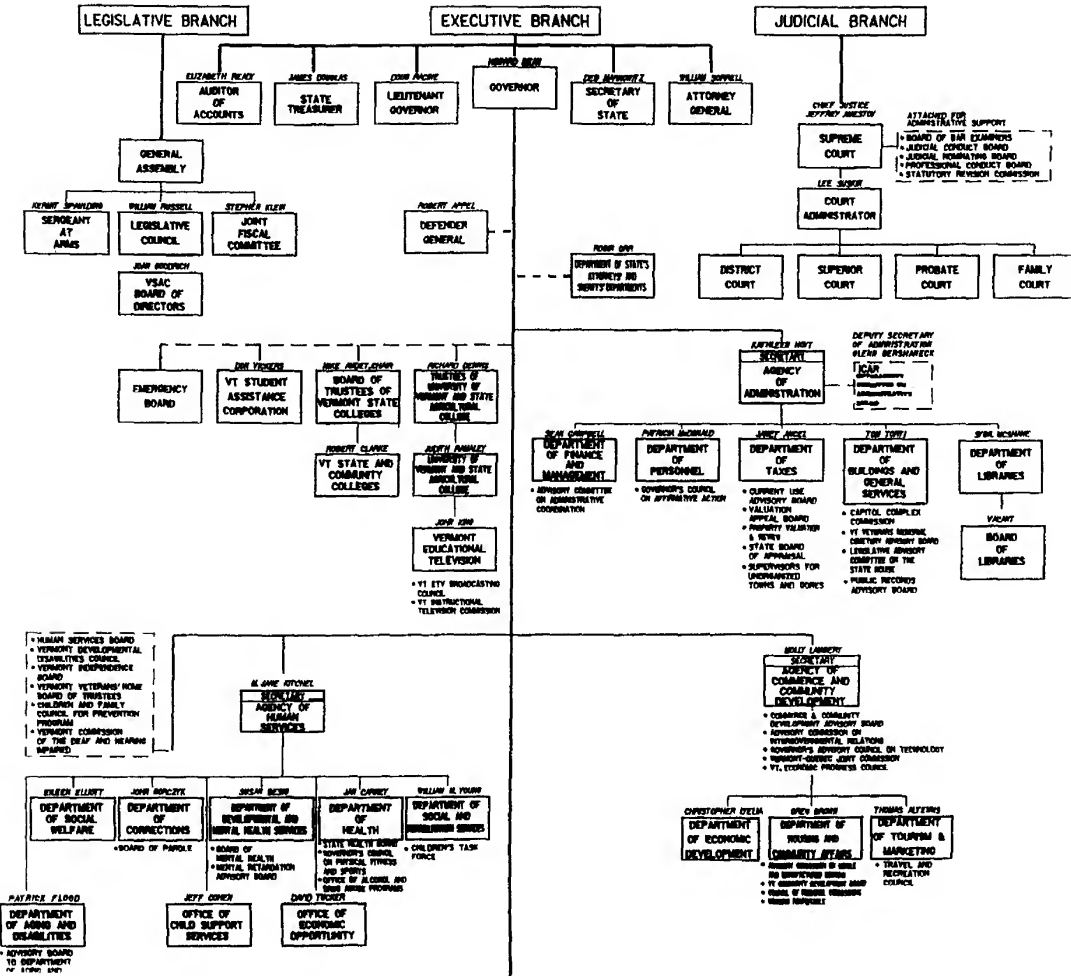
Sincerely,

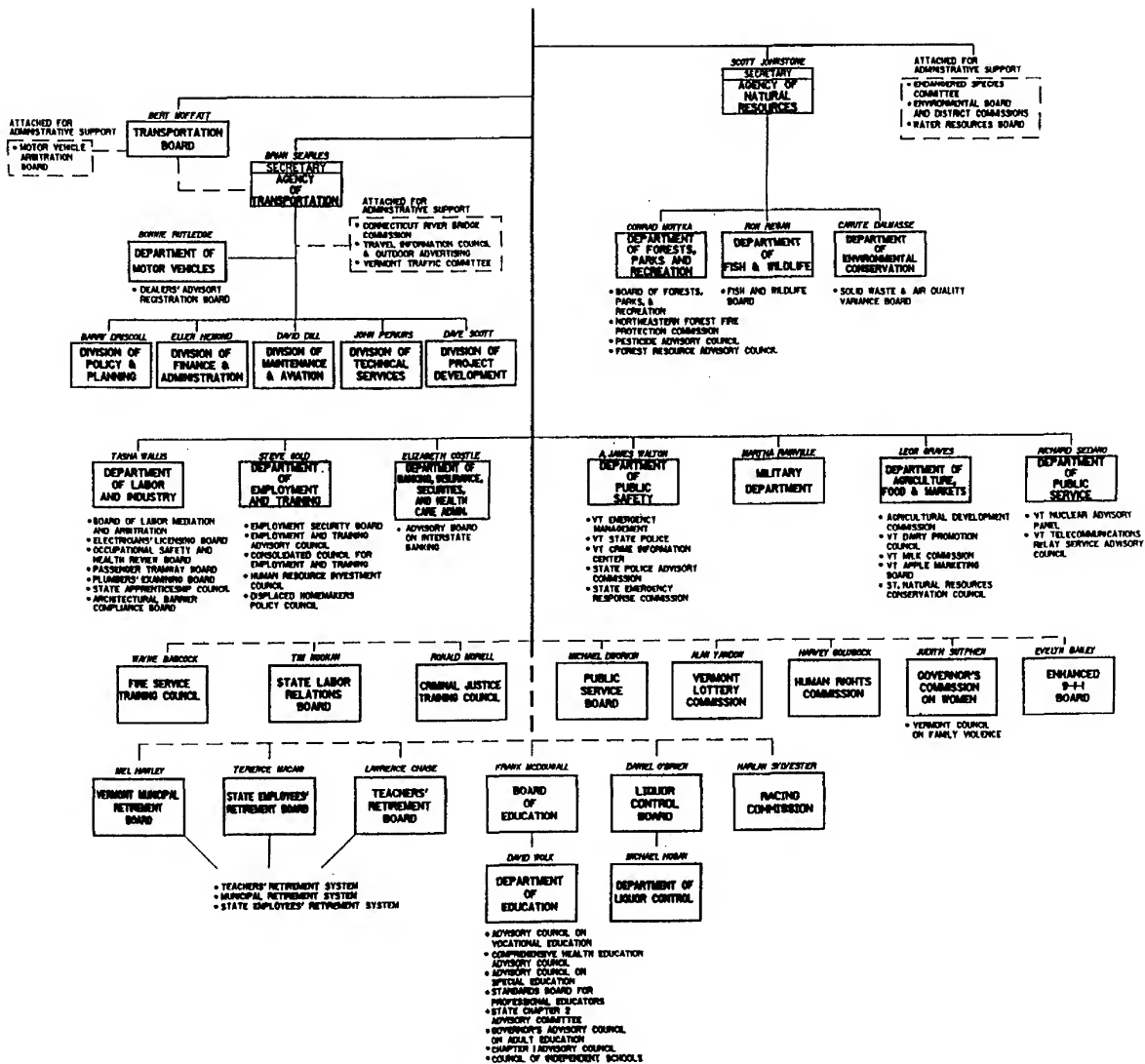
A handwritten signature in black ink, appearing to read "Sean Campbell", written over a horizontal line.

Sean Campbell
Commissioner

March 15, 2002

STATE OF VERMONT
ORGANIZATION CHART





SELECTED STATE OFFICIALS

As of June 30, 2001

EXECUTIVE

*Howard Dean, MD
Governor*

*Douglas C. Racine
Lieutenant Governor*

*Deborah L. Markowitz
Secretary of State*

*William H. Sorrell
Attorney General*

*Elizabeth M. Ready
Auditor of Accounts*

*James H. Douglas
State Treasurer*

JUDICIAL

*Jeffrey L. Amestoy
Chief Justice*

LEGISLATIVE

*Peter E. Shumlin
President Pro Tempore of the State Senate
(30 Senators)*

*Walter E. Freed
Speaker of the House of Representatives
(150 Representatives)*





**OFFICE OF THE STATE AUDITOR
132 STATE STREET
MONTPELIER, VERMONT 05633-5101**

Independent Auditor's Report

Speaker, House of Representatives
and
President Pro-Tem of the Senate
Governor
General Assembly, State of Vermont
State House
Montpelier, Vermont

We have audited the accompanying general purpose financial statements of the State of Vermont, as of June 30, 2001 and for the year then ended, as listed in the table of contents. These financial statements are the responsibility of the State's management. Our responsibility is to express an opinion on these statements based on our audit. We did not audit the financial statements of certain entities that aggregate the following percentages of total assets and revenues:

	<u>Percentage of</u>	
	<u>Total Assets - Total Revenues</u>	
Combined Balance Sheet – All Fund Types, Account Group and Discretely Presented Component Units:		
Special Revenue Funds	30.7%	N/A
Enterprise Funds	38.4%	N/A
Discretely Presented Component Units	100.0%	N/A
Trust and Agency Funds	10.9%	N/A
Combined Statement of Revenues, Expenditures and Changes In Fund Equity – All Governmental Fund Types, Expendable Trust Funds Discretely Presented Component Units:		
Special Revenue Funds	N/A	1.2%
Expendable Trust Funds	N/A	69.2%
Discretely Presented Component Units	N/A	100.0%

	Percentage of	
	<u>Total Assets</u>	<u>Total Revenues</u>
Combined Statement of Revenues, Expenditures and Changes In Fund Equity – All Proprietary Fund Types, Non Expendable Trust Funds and Discretely Presented Component Units:		
Enterprise Funds	N/A	70.2%
Discretely Presented Component Units	N/A	100.0%
Combined Statement of Current Revenue Funds, Expenditures and Other Changes:		
University of Vermont	N/A	100.0%
Vermont State Colleges	N/A	100.0%

Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included for those entities, is based solely on the reports of the other auditors.

Except as discussed in the following paragraph, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the State Environmental Revolving Fund (blended into the Federal Revenue Fund) and the Vermont Sustainable Jobs Fund (a discretely presented component unit) were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinion.

As discussed in Note 1, a General Fixed Asset Account Group is not presented in the accompanying general purpose financial statements as required by generally accepted accounting principles because the State does not maintain such records.

In our opinion, based on our audit and the reports of the other auditors, except for the effects on the financial statements of the omission of the General Fixed Asset Account Group, as described in the preceding paragraph, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the State of Vermont as of June 30, 2001, and the results of its operations and cash flows of its proprietary, nonexpendable trust fund types and discretely presented component units for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining, individual fund and account group financial statements listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the State of Vermont. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, based upon our audit and the reports of other auditors, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

We did not audit the data included in the Introductory and Statistical Sections of this report and, accordingly, express no opinion thereon.

In accordance with *Government Auditing Standards*, we have also issued a report, dated March 20, 2002, on our consideration of the State's internal control over financial reporting and our tests of its compliance with certain laws and regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.


Elizabeth M. Ready
State Auditor

March 20, 2002



***GENERAL PURPOSE COMBINED
FINANCIAL STATEMENTS***

STATE OF VERMONT
COMBINED BALANCE SHEET-ALL FUND TYPES, ACCOUNT GROUP
AND DISCRETELY PRESENTED COMPONENT UNITS
June 30, 2001

	Governmental Fund Types		
	General	Special Revenue	Capital Projects
ASSETS AND OTHER DEBITS			
Assets:			
Cash and Cash Equivalents (Note 3).....	\$ 156,133,559	\$ 118,150,825	\$ 28,040,480
Investments (Note 3).....	-	-	-
Receivables (Net) (Note 1):			
Accounts	3,123,274	113,187,553	-
Taxes.....	97,805,228	14,390,801	-
Investment Principal and Interest	-	1,027	-
Loans and Notes.....	18,612,338	96,103,930	-
Due from Other Funds	2,285,980	2,666,496	-
Due from Component Units	849,811	3,921,240	-
Due from Primary Government	-	-	-
Interfund Loans Receivable.....	9,524,497	-	-
Advances to Other Funds.....	323,700	-	-
Advances to Component Units.....	1,915,711	-	-
Inventories, at cost (Note 1).....	-	-	-
Prepaid Expenses.....	-	-	-
Restricted Cash (Note 3).....	-	3,651,405	-
Fixed Assets (Net Book Value)(Note 4).....	-	-	-
Other Assets.....	-	-	-
Amount to be Provided for Retirement of			
General Long-Term Debt.....	-	-	-
Total Assets and Other Debits.....	\$ 290,574,098	\$ 352,073,277	\$ 28,040,480
LIABILITIES, FUND EQUITY AND OTHER CREDITS			
Liabilities:			
Accounts Payable.....	\$ 30,818,502	\$ 109,563,568	\$ 1,364,781
Claims Payable (Note 16).....	-	-	-
Accrued Salaries and Benefits.....	7,348,811	9,089,987	-
Tax Refunds Payable.....	72,105,524	-	-
Retainage Payable.....	427,356	2,757,713	530,952
Due to Other Funds	12,688	61,287	-
Due to Primary Government.....	-	-	-
Due to Component Units.....	1,229,954	900,000	-
Interfund Loans Payable.....	-	-	-
Advances From Other Funds.....	-	-	-
Advances From Primary Government.....	-	-	-
Deferred Revenue.....	5,873,529	103,037,582	-
Amounts Held in Custody for Others.....	-	-	-
Current Portion of Long Term Debt.....	-	-	-
Other Liabilities (Note 1).....	-	409,661	-
Capital Lease Obligation (Note 7).....	-	-	-
Net Pension Obligation (Note 5).....	-	-	-
Compensated Absences (Note 1).....	-	-	-
Bonds and Notes Payable (Note 8).....	-	-	-
Total Liabilities.....	\$ 117,816,364	\$ 225,819,798	\$ 1,895,733
FUND EQUITY AND OTHER CREDITS			
(Notes 1,2,10 and 14):			
Investment in General Fixed Assets.....	\$ -	\$ -	\$ -
Contributed Capital.....	-	-	-
Retained Earnings.....	-	-	-
Fund Balances:			
Net Investment in Plant.....	-	-	-
Reserved (Note 6).....	86,174,465	31,571,981	3,781,371
Restricted.....	-	-	-
Unreserved-Designated For:			
Continuing Appropriations.....	-	-	22,363,376
Other Specific Purposes.....	-	-	-
Unreserved-Undesignated	86,583,269	94,681,498	-
Total Fund Equity and Other Credits.....	\$ 172,757,734	\$ 126,253,479	\$ 26,144,747
Total Liabilities, Fund Equity, and Other Credits.....	\$ 290,574,098	\$ 352,073,277	\$ 28,040,480

The accompanying notes are an integral part of the financial statements.

Proprietary Fund Types		Fiduciary Fund Types	Account Group	Total
Enterprise	Internal Service	Trust and Agency	General Long-Term Debt	Primary Government (Memorandum Only)
June 30, 2001				
\$ 2,384,195	\$ 23,686,579	\$ 384,620,894	\$ -	\$ 713,016,533
4,646,719	-	2,402,983,759	-	2,407,630,478
1,070,228	8,603,867	128,707,044	-	254,691,967
-	-	9,753,724	-	121,949,753
18,196	-	12,646,282	-	12,665,505
2,074,641	-	-	-	116,790,909
-	10,053	45,728	-	5,008,257
-	-	-	-	4,771,051
-	-	-	-	0
-	-	-	-	9,524,497
-	-	-	-	323,700
-	-	-	-	1,915,711
4,737,913	2,442,759	-	-	7,180,672
242,853	343,157	-	-	586,010
693,292	-	-	-	4,344,697
539,751	19,816,878	-	-	20,356,629
37,476	15,100	-	-	52,576
-	-	-	637,193,718	637,193,718
<u>\$ 16,445,264</u>	<u>\$ 54,918,393</u>	<u>\$ 2,938,757,432</u>	<u>\$ 637,193,718</u>	<u>\$ 4,318,002,662</u>
\$ 4,708,272	\$ 2,180,995	\$ 2,870,405	\$ -	\$ 151,506,523
4,104,549	25,509,584	3,958,924	-	33,573,057
461,215	835,767	-	-	17,735,780
-	-	-	-	72,105,524
-	-	-	-	3,716,021
215,574	13,864	4,704,844	-	5,008,257
-	-	-	-	0
-	-	-	-	2,129,954
730,016	8,556,393	238,088	-	9,524,497
308,600	15,100	-	-	323,700
-	-	-	-	0
265,035	106,260	-	-	109,282,406
-	-	5,814,196	-	5,814,196
-	-	-	-	0
1,057,536	-	162,654,971	7,000,000	171,122,168
-	-	-	-	0
-	-	-	125,124,366	125,124,366
-	-	-	24,625,994	24,625,994
-	-	-	480,443,358	480,443,358
<u>\$ 11,850,797</u>	<u>\$ 37,217,963</u>	<u>\$ 180,241,429</u>	<u>\$ 637,193,718</u>	<u>\$ 1,212,035,801</u>
\$ -	\$ -	\$ -	\$ -	\$ 0
3,577,151	12,923,905	-	-	16,501,056
1,017,317	4,776,525	-	-	5,793,842
-	-	-	-	0
-	-	2,757,763,400	-	2,879,291,217
-	-	-	-	0
-	-	-	-	22,363,376
-	-	-	-	0
-	-	752,603	-	182,017,370
<u>\$ 4,594,467</u>	<u>\$ 17,700,430</u>	<u>\$ 2,758,516,003</u>	<u>\$ 0</u>	<u>\$ 3,105,966,861</u>
<u>\$ 16,445,264</u>	<u>\$ 54,918,393</u>	<u>\$ 2,938,757,432</u>	<u>\$ 637,193,718</u>	<u>\$ 4,318,002,662</u>

Continued Next Page.....

STATE OF VERMONT
COMBINED BALANCE SHEET-ALL FUND TYPES, ACCOUNT GROUP
AND DISCRETELY PRESENTED COMPONENT UNITS
June 30, 2001

	Discretely Presented Component Units			Total Reporting Entity (Memorandum Only)
	Other	Vermont State Colleges	University of Vermont	June 30, 2001
ASSETS AND OTHER DEBITS				
Assets:				
Cash and Cash Equivalents (Note 3).....	\$ 304,890,696	\$ 4,167,070	\$ 48,294,000	\$ 1,070,368,299
Investments (Note 3).....	121,389,796	25,735,376	251,620,000	2,806,375,650
Receivables (Net):				
Accounts	21,674,928	4,842,948	26,722,000	307,931,843
Tax.....	-	-	-	121,949,753
Investment Principal and Interest	396,000	11,303	-	13,072,808
Loans and Notes.....	1,344,769,807	4,845,054	35,286,000	1,501,691,770
Due from Other Funds	-	1,430,729	-	6,438,986
Due from Component Units	-	-	-	4,771,051
Due from Primary Government	2,129,954	-	-	2,129,954
Interfund Loans Receivable.....	-	-	-	9,524,497
Advances to Other Funds.....	-	-	-	323,700
Advances to Component Units.....	-	-	-	1,915,711
Inventories, at cost (Note 1).....	108,123	111,982	1,899,000	9,299,777
Prepaid Expenses.....	19,809	387,963	7,055,000	8,048,782
Restricted Cash (Note 3).....	88,487	-	-	4,433,184
Fixed Assets (Net Book Value)(Note 4).....	8,703,105	155,679,727	185,099,000	369,838,461
Other Assets.....	12,059,564	293,225	43,837,000	56,242,365
Amount to be Provided for Retirement of General Long-Term Debt.....	-	-	-	637,193,718
Total Assets and Other Debits.....	\$ 1,816,230,269	\$ 197,505,377	\$ 599,812,000	\$ 6,931,550,308
LIABILITIES, FUND EQUITY AND OTHER CREDITS				
Liabilities:				
Accounts Payable.....	\$ 4,639,525	\$ 631,400	\$ 12,366,000	\$ 169,143,448
Claims Payable (Note 16).....	-	-	-	33,573,057
Accrued Salaries and Benefits.....	759,446	3,696,426	21,480,000	43,671,652
Tax Refunds Payable.....	-	-	-	72,105,524
Retainage Payable.....	-	-	-	3,716,021
Due to Other Funds	-	1,430,729	-	6,438,986
Due to Primary Government.....	4,771,051	-	-	4,771,051
Due to Component Units.....	-	-	-	2,129,954
Interfund Loans Payable.....	-	-	-	9,524,497
Advances From Other Funds.....	-	-	-	323,700
Advances From Primary Government.....	1,915,711	-	-	1,915,711
Deferred Revenue.....	41,415,095	2,303,503	24,956,000	177,957,004
Amounts Held in Custody for Others.....	-	-	-	5,814,196
Current Portion of Long Term Debt.....	26,707,998	-	-	26,707,998
Other Liabilities (Note 1).....	48,602,222	409,899	-	220,134,289
Capital Lease Obligation (Note 7).....	-	195,522	-	195,522
Net Pension Obligation (Note 5).....	-	-	-	125,124,366
Compensated Absences (Note 1).....	-	-	-	24,625,994
Bonds and Notes Payable (Note 8).....	1,547,266,075	21,405,705	73,221,000	2,122,336,138
Total Liabilities.....	\$ 1,676,077,123	\$ 30,073,184	\$ 132,023,000	\$ 3,050,209,108
FUND EQUITY AND OTHER CREDITS				
(Notes 1,2,10 and 14):				
Investment in General Fixed Assets.....	\$ 134,200	\$ -	\$ -	\$ 134,200
Contributed Capital.....	-	-	-	16,501,056
Retained Earnings.....	38,080,959	-	-	43,874,801
Fund Balances:				
Net Investment in Plant.....	3,217,000	139,161,497	110,681,000	253,059,497
Reserved (Note 6).....	19,296,552	12,281,300	228,720,000	3,139,589,069
Restricted.....	41,591,537	8,995,896	100,915,000	151,502,433
Unreserved-Designated For:				
Continuing Appropriations.....	23,206,000	-	-	45,569,376
Other Specific Purposes.....	-	3,542,372	27,473,000	31,015,372
Unreserved-Undesignated	14,626,898	3,451,128	-	200,095,396
Total Fund Equity and Other Credits.....	\$ 140,153,146	\$ 167,432,193	\$ 467,789,000	\$ 3,881,341,200
Total Liabilities, Fund Equity, and Other Credits.....	\$ 1,816,230,269	\$ 197,505,377	\$ 599,812,000	\$ 6,931,550,308

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STATE OF VERMONT
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-ALL GOVERNMENTAL FUND TYPES, EXPENDABLE TRUST FUNDS
AND DISCRETELY PRESENTED COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Governmental Fund Types		
	General	Special Revenue	Capital Projects
REVENUES:			
Taxes:			
Personal Income Tax.....	\$ 458,054,886	\$ -	\$ -
Corporate Income Tax.....	40,758,387	9,560,609	-
Sales and Use.....	215,153,183	-	-
Meals and Rooms.....	80,318,722	18,221,366	-
Motor Fuel Tax.....	-	66,714,714	-
Purchase and Use Tax.....	-	72,960,888	-
Other Taxes.....	86,419,445	541,859,658	-
Earnings of Departments.....	10,555,548	36,681,861	-
Federal Grants.....	-	849,190,708	-
Fines, Forfeits and Penalties.....	1,891,354	7,558,433	-
Investment Income.....	7,969,640	4,843,608	-
Licenses.....	2,546,877	67,490,290	-
Special Assessments.....	367,043	12,430,172	-
Tobacco Settlement.....	-	-	-
Other Revenues.....	621,829	42,431,159	-
Total Revenues.....	\$ 904,656,914	\$ 1,729,943,466	\$ -
EXPENDITURES:			
General Government.....	\$ 53,499,488	\$ 27,216,666	\$ 10,492,521
Protection to Persons and Property.....	54,014,291	83,689,105	3,838,368
Human Services.....	297,951,849	611,285,241	1,152,794
Employment and Training.....	434,471	25,565,437	-
Education.....	42,593,438	841,314,632	10,873,284
Natural Resources.....	14,977,568	64,518,830	7,284,148
Commerce and Community Development.....	14,776,725	18,970,260	1,194,306
Transportation.....	-	294,265,617	12,355
Public Service Enterprises.....	-	1,257,308	-
Debt Service.....	68,376,276	5,519,668	-
Benefit Payments.....	-	-	-
Other Expenditures.....	-	12,132,666	-
Total Expenditures.....	\$ 546,624,106	\$ 1,985,735,430	\$ 34,847,776
Excess of Revenues Over(Under)			
Expenditures.....	\$ 358,032,808	\$ (255,791,964)	\$ (34,847,776)
Other Financing Sources (Uses):			
Operating Transfers In (Note 18).....	\$ 20,855,048	\$ 301,025,135	\$ 35,786,750
Operating Transfers In-Primary Government (Note 18).....	-	-	-
Operating Transfers Out (Note 18).....	(300,711,299)	(40,408,896)	(1,512,767)
Operating Transfers Out-Component Units (Note 18).....	(74,310,716)	(1,152,016)	(3,801,014)
Other Sources (Uses).....	176,875	(127,861)	17,576
Total Other Financing Sources			
(Uses).....	\$ (353,990,082)	\$ 259,336,362	\$ 30,490,545
Excess of Revenues and Other Sources			
Over (Under) Expenditures			
and Other Uses.....	\$ 4,042,716	\$ 3,544,398	\$ (4,357,231)
Fund Balances, July 1, as restated (Note 10).....	168,715,018	122,709,081	30,501,978
Fund Balances, June 30.....	\$ 172,757,734	\$ 126,253,479	\$ 26,144,747

The accompanying notes are an integral part of the financial statements.

<u>Fiduciary Fund Types</u>	<u>Total Primary Government (Memorandum Only)</u>	<u>Governmental Fund Types</u>	<u>Total Reporting Entity (Memorandum Only)</u>
<u>Expendable Trust</u>	<u>2001</u>	<u>Component Units</u>	<u>2001</u>
\$ -	\$ 458,054,886	\$ -	\$ 458,054,886
-	50,318,996	-	50,318,996
-	215,153,183	-	215,153,183
-	98,540,088	-	98,540,088
-	66,714,714	-	66,714,714
-	72,960,888	-	72,960,888
42,123,716	670,402,819	10,632,619	681,035,438
-	47,237,409	92,453	47,329,862
732,156	849,922,864	6,132,971	856,055,835
-	9,449,787	-	9,449,787
22,046,699	34,859,947	29,527,134	64,387,081
-	70,037,167	-	70,037,167
-	12,797,215	-	12,797,215
24,685,492	24,685,492	-	24,685,492
6,321,742	49,374,730	424,403	49,799,133
<u>\$ 95,909,804</u>	<u>\$ 2,730,510,184</u>	<u>\$ 46,809,580</u>	<u>\$ 2,777,319,764</u>
\$ -	\$ 91,208,675	\$ -	\$ 91,208,675
-	141,541,764	-	141,541,764
-	910,389,884	-	910,389,884
-	25,999,908	-	25,999,908
-	894,781,354	-	894,781,354
-	86,780,546	-	86,780,546
-	34,941,291	-	34,941,291
-	294,277,972	-	294,277,972
-	1,257,308	-	1,257,308
-	73,895,944	-	73,895,944
50,439,171	50,439,171	-	50,439,171
24,081,782	36,214,448	44,853,538	81,067,986
<u>\$ 74,520,953</u>	<u>\$ 2,641,728,265</u>	<u>\$ 44,853,538</u>	<u>\$ 2,686,581,803</u>
<u>\$ 21,388,851</u>	<u>\$ 88,781,919</u>	<u>\$ 1,956,042</u>	<u>\$ 90,737,961</u>
\$ 4,638,623	\$ 362,305,556	\$ -	\$ 362,305,556
-	0	4,500,000	4,500,000
(5,648,895)	(348,281,857)	-	(348,281,857)
-	(79,263,746)	-	(79,263,746)
-	66,590	-	66,590
<u>\$ (1,010,272)</u>	<u>\$ (65,173,457)</u>	<u>\$ 4,500,000</u>	<u>\$ (60,673,457)</u>
\$ 20,378,578	\$ 23,608,461	\$ 6,456,042	\$ 30,064,503
<u>321,939,559</u>	<u>643,865,636</u>	<u>27,377,418</u>	<u>671,243,054</u>
<u>\$ 342,318,137</u>	<u>\$ 667,474,097</u>	<u>\$ 33,833,460</u>	<u>\$ 701,307,557</u>

STATE OF VERMONT
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GENERAL AND SPECIAL REVENUE FUNDS
BUDGET AND ACTUAL (BUDGETARY BASED)
FOR THE YEAR ENDED JUNE 30, 2001

	General Fund		
	Budget	Actual (Budgetary Based)	Variance- Favorable (Unfavorable)
Revenues:			
Taxes.....	\$ 857,800,000	\$ 871,932,925	\$ 14,132,925
Licenses.....	2,400,000	2,663,773	263,773
Fines, Forfeits and Penalties.....	1,900,000	1,924,821	24,821
Earnings of Departments.....	10,400,000	10,923,985	523,985
Federal.....	-	-	0
Interest and Premiums.....	10,000,000	7,960,465	(2,039,535)
Lottery Transfer.....	-	-	0
Other.....	1,200,000	440,032	(759,968)
Special Fund Revenues.....	-	-	0
Total Revenues.....	\$ 883,700,000	\$ 895,846,001	\$ 12,146,001
General Government.....	\$ 71,847,120	\$ 53,340,928	\$ 18,506,192
Protection to Persons and Property.....	56,849,191	53,711,313	3,137,878
Human Services.....	330,390,752	307,774,008	22,616,744
Employment and Training.....	411,063	295,899	115,164
General Education.....	53,160,413	41,637,768	11,522,645
Natural Resources.....	23,934,193	14,743,207	9,190,986
Commerce and Community Development.....	16,212,189	14,658,686	1,553,503
Transportation.....	-	-	0
Public Service Enterprises.....	-	-	0
Debt Service.....	68,450,815	68,376,276	74,539
Total Expenditures.....	\$ 621,255,736	\$ 554,538,085	\$ 66,717,651
Excess of Revenues over (Under) Expenditures.....	\$ 262,444,264	\$ 341,307,916	\$ 78,863,652
Other Financing Sources (Uses):			
Operating Transfers In.....	\$ 21,038,671	\$ 21,038,671	\$ 0
Operating Transfers Out.....	(379,737,156)	(379,737,156)	0
Other Sources.....	-	176,876	176,876
Total Other Financing Sources (Uses).....	\$ (358,698,485)	\$ (358,521,609)	\$ 176,876
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses.....	\$ (96,254,221)	\$ (17,213,693)	\$ 79,040,528
Fund Balance, July 1, as restated.....	164,647,895	164,647,895	
Fund Balance, June 30.....	\$ 68,393,674	\$ 147,434,202	\$ 79,040,528

The accompanying notes are an integral part of the financial statements.

Special Revenue Funds			Totals (Memorandum Only)		
Budget	Actual (Budgetary Based)	Variance- Favorable (Unfavorable)	Budget	Actual (Budgetary Based)	Variance- Favorable (Unfavorable)
\$ 204,220,000	\$ 355,476,842	\$ 151,256,842	\$ 1,062,020,000	\$ 1,227,409,767	\$ 165,389,767
48,600,000	64,614,248	16,014,248	51,000,000	67,278,021	16,278,021
-	8,409,483	8,409,483	1,900,000	10,334,304	8,434,304
14,750,000	38,505,586	23,755,586	25,150,000	49,429,571	24,279,571
941,058,482	862,475,351	(78,583,131)	941,058,482	862,475,351	(78,583,131)
200,000	4,103,982	3,903,982	10,200,000	12,064,447	1,864,447
17,800,000	17,442,919	(357,081)	17,800,000	17,442,919	(357,081)
3,443,179	40,914,340	37,471,161	4,643,179	41,354,372	36,711,193
178,686,107	-	(178,686,107)	178,686,107	-	(178,686,107)
<u>\$ 1,408,757,768</u>	<u>\$ 1,391,942,751</u>	<u>\$ (16,815,016)</u>	<u>\$ 2,292,457,768</u>	<u>\$ 2,287,788,752</u>	<u>\$ (4,669,016)</u>
\$ 30,366,506	\$ 26,892,071	\$ 3,474,435	\$ 102,213,626	\$ 80,232,999	\$ 21,980,627
99,204,132	87,263,351	11,940,781	156,053,323	140,974,664	15,078,659
645,793,736	626,602,385	19,191,351	976,184,488	934,376,393	41,808,095
30,681,832	25,545,120	5,136,712	31,092,895	25,841,019	5,251,876
528,442,378	489,616,728	38,825,650	581,602,791	531,254,496	50,348,295
67,628,161	60,659,263	6,968,898	91,562,354	75,402,470	16,159,884
33,956,739	18,867,480	15,089,259	50,168,928	33,526,166	16,642,762
353,449,554	292,165,282	61,284,272	353,449,554	292,165,282	61,284,272
1,453,153	1,453,153	0	1,453,153	1,453,153	0
5,774,527	5,519,668	254,859	74,225,342	73,895,944	329,398
<u>\$ 1,796,750,718</u>	<u>\$ 1,634,584,501</u>	<u>\$ 162,166,217</u>	<u>\$ 2,418,006,454</u>	<u>\$ 2,189,122,586</u>	<u>\$ 228,883,868</u>
<u>\$ (387,992,950)</u>	<u>\$ (242,641,750)</u>	<u>\$ 145,351,201</u>	<u>\$ (125,548,686)</u>	<u>\$ 98,666,166</u>	<u>\$ 224,214,852</u>
\$ 282,025,334	\$ 282,025,334	\$ 0	\$ 303,064,005	\$ 303,064,005	\$ 0
(40,285,549)	(40,285,549)	0	(420,022,705)	(420,022,705)	0
-	(128,211)	(128,211)	-	48,665	48,665
<u>\$ 241,739,785</u>	<u>\$ 241,611,574</u>	<u>\$ (128,211)</u>	<u>\$ (116,958,700)</u>	<u>\$ (116,910,035)</u>	<u>\$ 48,665</u>
\$ (146,253,165)	\$ (1,030,176)	\$ 145,222,990	\$ (242,507,386)	\$ (18,243,869)	\$ 224,263,517
109,085,528	109,085,528		273,733,423	273,733,423	
<u>\$ (37,167,637)</u>	<u>\$ 108,055,352</u>	<u>\$ 145,222,990</u>	<u>\$ 31,226,037</u>	<u>\$ 255,489,554</u>	<u>\$ 224,263,517</u>

STATE OF VERMONT
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
RETAINED EARNINGS/FUND BALANCES-ALL PROPRIETARY FUND TYPES,
NONEXPENDABLE TRUST FUNDS, AND DISCRETELY PRESENTED COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Proprietary Fund Types		Fiduciary Fund Types
	Enterprise	Internal Service	Nonexpendable Trust
Operating Revenues:			
Charges For Sales and Services.....	\$ 32,507,551	\$ 107,383,863	\$ -
Lottery Ticket Sales.....	81,198,198	-	-
Fees.....	206,826	-	-
Investment Income.....	-	-	664,848
Other Operating Revenues.....	1,880,232	9,075,697	-
Total Operating Revenues.....	\$ 115,792,807	\$ 116,459,560	\$ 664,848
Operating Expenses:			
Cost of Sales and Services.....	\$ 25,671,377	\$ 26,703,293	\$ -
Lottery Prizes.....	52,230,445	-	-
Lottery Tickets, Commissions and Fees.....	10,160,026	-	-
Claims Expense.....	-	45,330,367	-
Salaries, Wages and Benefits.....	1,832,020	8,073,868	-
Supplies and Parts.....	57,316	444,378	-
Depreciation and Amortization.....	354,760	3,886,222	-
Rentals.....	42,068	918,814	-
Stores and Agencies.....	3,252,828	-	-
Administrative Expenses.....	2,115,407	3,945,503	-
Inspection and Enforcement Expense.....	1,245,045	-	-
Equipment Purchased for Agencies.....	-	1,520,153	-
Repairs and Maintenance.....	-	2,044,071	-
Interest Expense.....	-	-	-
Insurance Premium Expense.....	-	22,091,497	-
Education Grants & Scholarships.....	-	-	-
Arbitrage Rebates & Yield Compliance.....	-	-	-
Loss on Bad Debts and Guarantees.....	9,117	46,403	-
Other Operating Expenses.....	2,109,707	3,162,322	112,753
Total Operating Expenses.....	\$ 99,080,115	\$ 118,166,891	\$ 112,753
Operating Income(Loss).....	\$ 16,712,692	\$ (1,707,331)	\$ 552,095
Non-Operating Revenues(Expenses):			
Gain(Loss) on Disposal of Fixed Assets.....	\$ (606,681)	\$ 220,221	\$ -
Investment Income.....	708,675	1,183,481	-
Other Non-Operating Revenues(Expenses).....	-	-	-
Total Non-Operating Revenues(Expenses).....	\$ 101,995	\$ 1,403,702	\$ 0
Income(Loss) Before Operating Transfers.....	\$ 16,814,687	\$ (303,629)	\$ 552,095
Operating Transfers In (Note 18).....	22,162	4,619,571	1,000,000
Operating Transfers In - Primary Government (Note 18).....	-	-	-
Operating Transfers Out (Note 18).....	(17,277,084)	(2,388,348)	-
Operating Transfers Out - Component Units (Note 18).....	-	-	(212,570)
Net Income(Loss).....	\$ (440,235)	\$ 1,927,594	\$ 1,339,525
Retained Earnings/Fund Balances, July 1, as restated (Note 10)....	1,457,553	2,848,931	6,829,531
Retained Earnings/Fund Balances, June 30.....	\$ 1,017,317	\$ 4,776,525	\$ 8,169,056

The accompanying notes are an integral part of the financial statements

Total Primary Government (Memorandum Only) 2001	Component Units Proprietary Fund Type	Total Reporting Entity (Memorandum Only) 2001
\$ 139,891,414	\$ 9,226,245	\$ 149,117,659
81,198,198	-	81,198,198
206,826	9,887,609	10,094,435
664,848	83,764,015	84,428,863
10,955,929	7,293,432	18,249,361
\$ 232,917,215	\$ 110,171,301	\$ 343,088,516
\$ 52,374,670	\$ -	\$ 52,374,670
52,230,445	-	52,230,445
10,160,026	-	10,160,026
45,330,367	-	45,330,367
9,905,888	24,696,111	34,601,999
501,694	-	501,694
4,240,882	3,092,376	7,333,358
960,882	-	960,882
3,252,828	-	3,252,828
6,060,910	13,730,851	19,791,761
1,245,045	-	1,245,045
1,520,153	-	1,520,153
2,044,071	-	2,044,071
0	56,775,079	56,775,079
22,091,497	-	22,091,497
0	16,896,153	16,896,153
0	(5,087,000)	(5,087,000)
55,520	649,644	705,164
5,384,782	2,008,380	7,393,162
\$ 217,359,759	\$ 112,761,594	\$ 330,121,353
\$ 15,557,456	\$ (2,590,293)	\$ 12,967,163
\$ (386,460)	\$ -	\$ (386,460)
1,892,156	-	1,892,156
0	42,392	42,392
\$ 1,505,697	\$ 42,392	\$ 1,548,089
\$ 17,063,153	\$ (2,547,901)	\$ 14,515,252
5,641,733	-	5,641,733
0	16,821,316	16,821,316
(19,665,432)	-	(19,665,432)
(212,570)	-	(212,570)
\$ 2,826,884	\$ 14,273,415	\$ 17,100,299
11,136,015	91,469,045	102,605,060
\$ 13,962,898	\$ 105,742,460	\$ 119,705,358

STATE OF VERMONT
COMBINED STATEMENT OF CASH FLOWS -
ALL PROPRIETARY FUND TYPES, NONEXPENDABLE TRUST FUNDS
AND DISCRETELY PRESENTED COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Proprietary Fund Types		Fiduciary Fund Types
	Enterprise	Internal Service	Nonexpendable Trust
Cash Flows from Operating Activities:			
Cash Received from Customers.....	\$ 126,020,199	\$ 115,394,960	\$ -
Cash Paid to Suppliers For Goods and Services.....	(33,100,519)	(58,382,831)	-
Loans Received (Made).....	-	-	-
Cash Paid to Employees For Services.....	(3,437,297)	(9,284,853)	-
Cash Paid for Prizes and Commissions.....	(55,734,561)	-	-
Cash Paid to Claimants.....	-	(40,740,319)	-
Liquor Taxes and Licenses Paid.....	(10,657,418)	-	-
Interest Received (Paid).....	-	-	105,793
Cash Paid for Fees, Operations and Other.....	(7,380,206)	-	-
Other Operating Revenues(Expenses).....	1,054,467	(491,983)	(112,753)
Net Cash Provided (Used) by Operating Activities.....	\$ 16,764,664	\$ 6,494,974	\$ (6,960)
Cash Flows from Noncapital Financing Activities:			
Proceeds from Sale of Bonds/Notes.....	\$ -	\$ -	\$ -
Payments on Notes.....	-	-	-
Operating/Equity Transfers In (Out).....	(17,462,724)	2,220,872	787,430
Operating Transfers In (Out) - Primary Government.....	-	-	-
Interfund Loans and Advances.....	-	2,489,925	-
Other Non-Operating Revenue.....	69,867	-	-
Net Cash Provided (Used) by Noncapital Financing Activities.....	\$ (17,392,857)	\$ 4,710,797	\$ 787,430
Cash Flows from Capital and Related Financing Activities:			
Acquisition and Construction of Fixed Assets.....	\$ (319,586)	\$ (8,832,387)	\$ -
Proceeds from Sale of Fixed Assets.....	23,564	774,034	-
Net Cash Provided (Used) by Capital and Related Financing Activities.....	\$ (296,022)	\$ (8,058,353)	\$ 0
Cash Flows From Investing Activities:			
Interest and Dividends on Investments.....	\$ 569,936	\$ 1,183,481	\$ -
Proceeds from Sales/Maturities of Investments.....	334,000	-	-
Purchase of Investments.....	(1,805,183)	-	(6,475,519)
Net Cash Provided (Used) by Investing Activities.....	\$ (901,247)	\$ 1,183,481	\$ (6,475,519)
Net Increase(Decrease) in Cash and Cash Equivalents.....	\$ (1,825,462)	\$ 4,330,899	\$ (5,695,049)
Cash and Cash Equivalents at July 1, as restated (Note 10).....	4,902,949	19,355,680	6,725,562
Cash and Cash Equivalents at June 30.....	\$ 3,077,487	\$ 23,686,579	\$ 1,030,513
Reconciliation of Cash and Cash Equivalents to the Combined Balance Sheet:			Trust and Agency
Nonexpendable Trust.....			\$ 1,030,513
Other Trust and Agency.....			383,590,381
Total Cash and Cash Equivalents per the Combined Balance Sheet.....			\$ 384,620,894

The accompanying notes are an integral part of the financial statements.

<u>Total Primary Government (Memorandum Only) 2001</u>	<u>Component Units Proprietary Fund Types</u>	<u>Total Reporting Entity (Memorandum Only) 2001</u>
\$ 241,415,159	\$ 182,312,040	\$ 423,727,199
(91,483,350)	(93,941,307)	(185,424,657)
0	(253,628,793)	(253,628,793)
(12,722,150)	(22,982,089)	(35,704,239)
(55,734,561)	-	(55,734,561)
(40,740,319)	-	(40,740,319)
(10,657,418)	-	(10,657,418)
105,793	55,803,438	55,909,231
(7,380,206)	-	(7,380,206)
449,731	-	449,731
<u>\$ 23,252,678</u>	<u>\$ (132,436,711)</u>	<u>\$ (109,184,033)</u>
\$ 0	\$ 193,532,500	\$ 193,532,500
0	(76,339,133)	(76,339,133)
(14,454,422)	-	(14,454,422)
0	16,017,239	16,017,239
2,489,925	39,947	2,529,872
69,867	(23,000)	46,867
<u>\$ (11,894,630)</u>	<u>\$ 133,227,553</u>	<u>\$ 121,332,923</u>
\$ (9,151,973)	\$ (960,591)	\$ (10,112,564)
797,598	-	797,598
<u>\$ (8,354,375)</u>	<u>\$ (960,591)</u>	<u>\$ (9,314,966)</u>
\$ 1,753,417	\$ 11,360,000	\$ 13,113,417
334,000	13,359,706	13,693,706
(8,280,702)	(7,338,799)	(15,619,501)
<u>\$ (6,193,285)</u>	<u>\$ 17,380,907</u>	<u>\$ 11,187,622</u>
\$ (3,189,612)	\$ 17,211,158	\$ 14,021,546
30,984,191	256,617,186	287,601,377
<u>\$ 27,794,579</u>	<u>\$ 273,828,344</u>	<u>\$ 301,622,923</u>

STATE OF VERMONT
COMBINED STATEMENT OF CASH FLOWS -
ALL PROPRIETARY FUND TYPES, NONEXPENDABLE TRUST FUNDS
AND DISCRETELY PRESENTED COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Type</u>
	<u>Enterprise</u>	<u>Internal Service</u>	<u>Nonexpendable Trust</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating Income(Loss).....	\$ 16,712,692	\$ (1,707,331)	\$ 552,095
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation and Amortization.....	\$ 351,325	\$ 3,884,324	\$ -
Revenue from Non-Operating Investment and Other Activity.....	-	-	(663,024)
(Increase)Decrease in Accounts Receivable.....	(143,919)	(731,225)	103,969
(Increase) Decrease in Loans Receivable.....	(128,745)	-	-
Increase(Decrease) in Allowance for Uncollectible Accounts.....	-	-	-
(Increase)Decrease in Accrued Interest Receivable.....	-	-	-
(Increase)Decrease in Due from Other Funds.....	-	1,534	-
(Increase) Decrease in Other Receivables.....	-	-	-
(Increase)Decrease in Inventory.....	55,632	598,888	-
(Increase)Decrease in Prepaid Expenses.....	(82,630)	80,390	-
(Increase)Decrease in Other Assets.....	-	-	-
Increase(Decrease) in Accounts Payable.....	(1,602,991)	203,044	-
(Increase)Decrease in Accrued Interest Payable.....	-	-	-
Increase(Decrease) in Accrued Salaries and Benefits.....	21,479	(36,120)	-
Increase (Decrease) in Claims Payable.....	1,040,789	4,422,466	-
Increase(Decrease) in Due to Agents.....	20,122	-	-
Increase(Decrease) in Interfund Payable.....	-	(71,409)	-
Increase(Decrease) in Future and Unclaimed Prizes Payable.....	150,129	-	-
Increase in Deferred Income.....	6,589	(148,567)	-
Increase(Decrease) in Due to Other Funds.....	365,103	(1,020)	-
(Decrease)Increase in Other Liabilities.....	-	-	-
Increase(Decrease) in Subscription Reserves.....	(910)	-	-
Total Adjustments.....	\$ 51,972	\$ 8,202,305	\$ (559,055)
Net Cash Provided (Used) by Operating Activities.....	\$ 16,764,664	\$ 6,494,974	\$ (6,960)

The accompanying notes are an integral part of the financial statements.

Totals Primary Government (Memorandum Only)	Component Units Proprietary Fund Types	Totals Reporting Entity (Memorandum Only)
2001		2001
\$ 15,557,456	\$ (2,590,293)	\$ 12,967,163
\$ 4,235,649	\$ 3,037,595	\$ 7,273,244
(663,024)	-	(663,024)
(771,175)	109,786	(661,389)
(128,745)	(114,009,685)	(114,138,430)
0	648,433	648,433
0	(12,648,512)	(12,648,512)
1,534	898,000	899,534
0	(262,762)	(262,762)
654,520	25,758	680,278
(2,240)	(12,524)	(14,764)
0	(596,307)	(596,307)
(1,399,947)	776,845	(623,102)
0	(857,210)	(857,210)
(14,641)	62,571	47,930
5,463,255	-	5,463,255
20,122	-	20,122
(71,409)	-	(71,409)
150,129	-	150,129
(141,978)	(770,631)	(912,609)
364,083	477,122	841,205
0	(6,724,897)	(6,724,897)
(910)	-	(910)
\$ 7,695,222	\$ (129,846,418)	\$ (122,151,196)
\$ 23,252,678	\$ (132,436,711)	\$ (109,184,033)

STATE OF VERMONT
PENSION TRUST FUNDS
COMBINED STATEMENT OF CHANGES IN PLAN NET ASSETS
For the Year Ended June 30, 2001

	<u>Totals</u>
Additions :	
<u>Contributions</u>	
Employer.....	\$ 44,855,989
Plan Member.....	32,017,508
Other Contributions.....	92,995
Total Contributions.....	\$ 76,966,492
<u>Investment Income:</u>	
Net Appreciation (Depreciation) in	
Fair value of Investments.....	\$ (178,997,641)
Dividends.....	23,287,135
Interest Income.....	51,432,987
Securities Lending Income.....	17,315,329
Other Income.....	1,122,448
Total Investment Income.....	\$ (85,839,742)
<u>Less Investment Expenses:</u>	
Investment Managers and Consultants.....	9,548,667
Securities Lending Expenses.....	16,423,197
Total Investment Expenses	25,971,864
Net Investment Income.....	\$ (111,811,606)
Total Additions.....	\$ (34,845,114)
Deductions:	
Retirement Allowances.....	\$ 90,205,185
Refunds of Contributions.....	2,720,096
Death Claims.....	114,858
Operating Expenses.....	14,198,653
Total Deductions.....	\$ 107,238,792
Net Increase (Decrease).....	\$ (142,083,906)
Net Assets Held In Trust For	
Pension Benefits:	
Beginning of Year.....	2,550,112,716
End of Year.....	\$ 2,408,028,810

The accompanying notes are an integral part of the financial statements.

STATE OF VERMONT
THE UNIVERSITY OF VERMONT AND
STATE AGRICULTURAL COLLEGE
COMBINED BALANCE SHEET
June 30, 2001
(With comparative totals for June 30, 2000)

	Current	Loan	Endowment and similar	Plant	Agency	Totals	
						June 30, 2001	June 30, 2000
ASSETS:							
Cash and cash equivalents.....	\$ 16,723,000	\$ 3,733,000	\$ 16,793,000	\$ 10,755,000	\$ 290,000	\$ 48,294,000	\$ 29,940,000
Deposits with trustees.....	1,038,000	-	15,298,000	16,782,000	10,719,000	43,837,000	73,316,000
Investments at market.....	39,306,000	5,839,000	189,200,000	16,822,000	453,000	251,620,000	248,166,000
Accounts receivable, net.....	22,029,000	-	-	609,000	4,084,000	26,722,000	18,295,000
Student loans receivable, net.....	-	35,286,000	-	-	-	35,286,000	34,601,000
Due From Component Units.....	-	-	-	-	-	0	0
Inventories at lower of cost or market.....	1,899,000	-	-	-	-	1,899,000	1,982,000
Prepaid expenses and deferred charges....	6,401,000	-	-	654,000	-	7,055,000	6,548,000
Land, buildings and equipment, net.....	1,000	-	307,000	184,791,000	-	185,099,000	165,317,000
Total Assets.....	\$ 87,397,000	\$ 44,858,000	\$ 221,598,000	\$ 230,413,000	\$ 15,546,000	\$ 599,812,000	\$ 578,163,000
LIABILITIES AND FUND BALANCES							
LIABILITIES:							
Accrued liabilities.....	\$ 20,749,000	\$ -	\$ -	\$ 731,000	\$ -	\$ 21,480,000	\$ 24,464,000
Accounts payable.....	8,577,000	-	-	3,600,000	189,000	12,366,000	10,972,000
Deferred tuition, deposits, and funds held for others.....	7,556,000	-	-	13,000	15,238,000	22,807,000	21,335,000
Obligations under deferred giving arrangements.....	-	-	2,030,000	-	119,000	2,149,000	2,207,000
Notes payable.....	-	-	-	3,000	-	3,000	111,000
Bonds and mortgages payable.....	-	-	-	73,218,000	-	73,218,000	75,406,000
Total Liabilities.....	\$ 36,882,000	\$ 0	\$ 2,030,000	\$ 77,565,000	\$ 15,546,000	\$ 132,023,000	\$ 134,495,000
Interfund Balances.....	\$ (2,000)	\$ 2,000	\$ -	\$ -	\$ -	\$ 0	\$ 0
Total Interfund.....	\$ (2,000)	\$ 2,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
FUND BALANCES:							
Unrestricted-Internally designated for:							
Working capital.....	\$ 2,000,000	\$ -	\$ -	\$ -	\$ -	\$ 2,000,000	\$ 2,000,000
Provision for encumbrances.....	2,576,000	-	-	-	-	2,576,000	2,412,000
Future years' operations.....	3,344,000	-	-	-	-	3,344,000	1,862,000
Restricted.....	42,597,000	-	-	-	-	42,597,000	29,512,000
U.S. Government capital contribution.....	-	12,297,000	-	-	-	12,297,000	12,180,000
University loans.....	-	32,559,000	-	-	-	32,559,000	32,296,000
Endowment.....	-	-	143,348,000	-	-	143,348,000	142,464,000
Quasi-endowment-unrestricted.....	-	-	21,220,000	-	-	21,220,000	22,380,000
Quasi-endowment-restricted.....	-	-	34,834,000	-	-	34,834,000	34,536,000
Term endowment, life income and annuity funds.....	-	-	20,166,000	-	-	20,166,000	21,637,000
Unexpended plant.....	-	-	-	13,462,000	-	13,462,000	4,226,000
Renewals and replacements.....	-	-	-	22,129,000	-	22,129,000	20,969,000
Retirement of indebtedness.....	-	-	-	6,576,000	-	6,576,000	6,962,000
Invested in plant, net.....	-	-	-	110,681,000	-	110,681,000	110,232,000
Total Fund Balances.....	\$ 50,517,000	\$ 44,856,000	\$ 219,568,000	\$ 152,848,000	\$ 0	\$ 467,789,000	\$ 443,668,000
Total Liabilities and Fund Balances.....	\$ 87,397,000	\$ 44,858,000	\$ 221,598,000	\$ 230,413,000	\$ 15,546,000	\$ 599,812,000	\$ 578,163,000

STATE OF VERMONT
THE UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE
COMBINED STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES
AND OTHER CHANGES
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(With comparative totals for the fiscal year ended June 30, 2000)

	Unrestricted	Restricted	Totals	
			2001	2000
Revenues and Other Additions:				
Tuition and fees.....	\$ 134,800,000	\$ -	\$ 134,800,000	\$ 131,637,000
Federal appropriations.....	-	4,300,000	4,300,000	4,559,000
State appropriations:				
Vermont: General University.....	32,447,000	107,000	32,554,000	30,331,000
Other States.....	195,000	-	195,000	200,000
Local appropriations, grants, contracts.....	-	-	0	0
Federal grants and contracts.....	-	46,773,000	46,773,000	39,837,000
State grants and contracts.....	-	6,540,000	6,540,000	5,095,000
Private gifts and grants.....	2,832,000	29,342,000	32,174,000	30,561,000
Endowment income.....	1,152,000	6,276,000	7,428,000	6,193,000
Income from short term investments.....	5,002,000	-	5,002,000	4,837,000
Sales and services of educational activities.....	3,937,000	-	3,937,000	3,440,000
Sales and services of auxiliary enterprises.....	34,340,000	-	34,340,000	32,183,000
Recovery of indirect costs of grants and contracts.....	16,178,000	-	16,178,000	12,614,000
Change in unrealized investment appreciation.....	1,311,000	(921,000)	390,000	(484,000)
Other sources.....	12,548,000	900,000	13,448,000	13,344,000
Total Revenues and Other Additions.....	\$ 244,742,000	\$ 93,317,000	\$ 338,059,000	\$ 314,347,000
Expenditures and Mandatory Transfers:				
Educational and general:				
Instruction.....	\$ (69,174,000)	\$ (15,515,000)	\$ (84,689,000)	\$ (82,418,000)
Research.....	(7,922,000)	(46,868,000)	(54,790,000)	(45,851,000)
Public service.....	(8,491,000)	(16,977,000)	(25,468,000)	(23,661,000)
Academic support.....	(27,481,000)	(1,133,000)	(28,614,000)	(25,226,000)
Student services.....	(10,297,000)	(1,553,000)	(11,850,000)	(11,940,000)
Institutional support.....	(25,438,000)	(1,227,000)	(26,665,000)	(35,705,000)
Operation and maintenance of plant.....	(21,487,000)	(183,000)	(21,670,000)	(22,009,000)
Scholarships and fellowships.....	(24,725,000)	(10,304,000)	(35,029,000)	(31,928,000)
Educational and General Expenditures.....	\$ (195,015,000)	\$ (93,760,000)	\$ (288,775,000)	\$ (278,738,000)
Mandatory transfers.....	\$ (3,455,000)	\$ 950,000	\$ (2,505,000)	\$ (3,132,000)
Total Educational and General.....	\$ (198,470,000)	\$ (92,810,000)	\$ (291,280,000)	\$ (281,870,000)
Auxiliary Enterprises				
Expenditures.....	\$ (34,396,000)	\$ (477,000)	\$ (34,873,000)	\$ (34,292,000)
Mandatory transfers.....	(4,680,000)	-	(4,680,000)	(3,288,000)
Total Auxiliary Enterprises.....	\$ (39,076,000)	\$ (477,000)	\$ (39,553,000)	\$ (37,580,000)
Total Expenditures and Mandatory Transfers.....	\$ (237,546,000)	\$ (93,287,000)	\$ (330,833,000)	\$ (319,450,000)
Other Additions/(Deductions)				
Excess of revenue transfers over restricted receipts....	\$ -	\$ 8,940,000	\$ 8,940,000	\$ (1,341,000)
Other transfers (to)/from other funds:	(5,550,000)	4,115,000	(1,435,000)	(7,669,000)
Total Other Additions/(Deductions).....	\$ (5,550,000)	\$ 13,055,000	\$ 7,505,000	\$ (9,010,000)
Net Increase For The Year.....	\$ 1,646,000	\$ 13,085,000	\$ 14,731,000	\$ (14,113,000)

STATE OF VERMONT
THE UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE
COMBINED STATEMENT OF CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(With comparative totals for the fiscal year ended June 30, 2000)

	Current		Loan	Endowment and similar	Plant	Totals	
	Unrestricted	Restricted				2001	2000
Revenues and Other Additions:							
Tuition and fees.....	\$ 134,800,000	\$ -	\$ -	\$ -	\$ 968,000	\$ 135,768,000	\$ 132,627,000
Federal appropriations.....	-	65,050,000	47,000	-	2,928,000	68,025,000	55,458,000
Vermont State grants.....	-	7,297,000	-	-	-	7,297,000	5,544,000
Other states.....	195,000	-	-	-	-	195,000	200,000
County and municipal grants.....	-	-	-	-	-	0	0
Private gifts and grants.....	2,832,000	41,974,000	1,000	8,205,000	1,521,000	54,533,000	41,257,000
Endowment income.....	1,152,000	3,406,000	392,000	-	-	4,950,000	4,434,000
Income from short term investments.....	5,002,000	-	-	-	2,116,000	7,118,000	7,752,000
Net realized loss from sale of investments and real property.....	-	-	-	-	11,000	11,000	0
Sales and services of educational activities.....	3,937,000	-	-	-	-	3,937,000	3,440,000
Sales and services of auxiliary enterprises.....	34,340,000	-	-	-	-	34,340,000	32,183,000
Recovery of indirect costs.....	16,178,000	(16,178,000)	-	-	-	0	0
Interest received on student loan notes.....	-	-	984,000	-	-	984,000	972,000
Change in unrealized investment appreciation.....	1,311,000	(921,000)	-	(4,472,000)	(72,000)	(4,154,000)	12,130,000
Other sources.....	12,548,000	1,754,000	160,000	472,000	1,842,000	16,776,000	15,642,000
Total Revenues and Other Additions.....	\$ 212,295,000	\$ 102,382,000	\$ 1,584,000	\$ 4,205,000	\$ 9,314,000	\$ 329,780,000	\$ 311,639,000
Expenditures and Other Deductions:							
Educational and general expenditures.....	\$ (195,015,000)	\$ (93,760,000)	\$ -	\$ -	\$ -	\$ (288,775,000)	\$ (285,255,000)
Auxiliary enterprises expenditures.....	(34,395,000)	(477,000)	-	-	-	(34,872,000)	(27,775,000)
Plant expenditures and debt retirement.....	-	-	-	-	(5,484,000)	(5,484,000)	(5,024,000)
Interest on indebtedness.....	-	-	-	-	(3,081,000)	(3,081,000)	(5,761,000)
Depreciation.....	-	-	-	-	(8,649,000)	(8,649,000)	(7,866,000)
Provision for doubtful loans, cancellations and notes returned to U.S. Government.....	-	-	(363,000)	-	-	(363,000)	(40,000)
Other deductions, refunds, amortization.....	-	(231,000)	(102,000)	(1,155,000)	(65,000)	(1,553,000)	(1,935,000)
Total Expenditures and Other Deductions.....	\$ (229,410,000)	\$ (94,468,000)	\$ (465,000)	\$ (1,155,000)	\$ (17,279,000)	\$ (342,777,000)	\$ (334,656,000)
Transfers:							
Mandatory.....	\$ (8,136,000)	\$ 950,000	\$ (234,000)	\$ (700,000)	\$ 8,120,000	\$ 0	\$ 0
Primary Government Appropriations.....	32,447,000	106,000	-	-	4,565,000	37,118,000	30,553,000
Other.....	(5,550,000)	4,115,000	(505,000)	(3,799,000)	5,739,000	0	0
Total Transfers.....	\$ 18,761,000	\$ 5,171,000	\$ (739,000)	\$ (4,499,000)	\$ 18,424,000	\$ 37,118,000	\$ 30,553,000
Net Increase For The Year.....	\$ 1,646,000	\$ 13,085,000	\$ 380,000	\$ (1,449,000)	\$ 10,459,000	\$ 24,121,000	\$ 7,536,000
Fund Balances, Beginning Of The Year.....	\$ 6,274,000	\$ 29,512,000	\$ 44,476,000	\$ 221,017,000	\$ 142,389,000	\$ 443,668,000	\$ 436,132,000
Fund Balances, End Of The Year.....	\$ 7,920,000	\$ 42,597,000	\$ 44,856,000	\$ 219,568,000	\$ 152,848,000	\$ 467,789,000	\$ 443,668,000

STATE OF VERMONT
VERMONT STATE COLLEGES
COMBINED BALANCE SHEET
June 30, 2001
(With comparative totals for June 30, 2000)

	Current Funds			Endowment and Similar Funds
	Unrestricted	Restricted	Loan Funds	Funds
ASSETS:				
Cash and Short Term Investments.....	\$ 3,378,838	\$ -	\$ 788,232	\$ -
Investments.....	6,282,539	-	-	11,665,093
Receivables:				
Accounts (Net).....	3,907,801	918,951	-	-
Loans (Net).....	-	-	4,845,054	-
Accrued Interest.....	-	-	-	-
Other.....	-	-	16,196	-
Inventories.....	111,982	-	-	-
Prepaid Expenses.....	387,963	-	-	-
Due From Other Funds.....	-	1,430,729	-	-
Bond Issuance Cost.....	-	-	-	-
Land and Improvements.....	-	-	-	-
Buildings and Improvements.....	-	-	-	-
Furniture Fixtures, and Equipment.....	-	-	-	-
Construction-In-Progress.....	-	-	-	-
Total Assets.....	\$ 14,069,123	\$ 2,349,680	\$ 5,649,482	\$ 11,665,093
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts Payable.....	\$ 631,400	\$ -	\$ -	-
Bonds and Notes Payable.....	-	-	-	-
Capital Lease Obligations.....	-	-	-	-
Accrued Interest.....	-	-	-	-
Accrued Expenses.....	3,696,426	-	-	-
Due To Other Funds.....	980,180	-	450,549	-
Deferred Revenues and Advanced Deposits.....	2,303,503	-	-	-
Total Liabilities.....	\$ 7,611,509	\$ 0	\$ 450,549	\$ 0
FUND BALANCES:				
General.....	\$ 3,451,128	\$ -	\$ -	-
Designated.....	2,390,279	-	-	-
Net Investment in Plant.....	-	-	-	-
Auxiliary.....	616,207	-	-	-
Restricted.....	-	2,349,680	-	11,665,093
College's Portion.....	-	-	911,228	-
U.S. Government Portion.....	-	-	4,287,705	-
Total Fund Balances.....	\$ 6,457,614	\$ 2,349,680	\$ 5,198,933	\$ 11,665,093
Total Liabilities and Fund Balances.....	\$ 14,069,123	\$ 2,349,680	\$ 5,649,482	\$ 11,665,093

Plant Funds			Totals	
Unexpended	Retirement of Indebtedness	Investment in Plant	June 30, 2001	June 30, 2000
\$ -	\$ -	\$ -	4,167,070	\$ 3,834,402
4,885,824	2,901,920	-	25,735,376	26,278,323
-	-	-	4,826,752	3,155,667
-	-	-	4,845,054	4,762,045
-	11,303	-	11,303	12,133
-	-	-	16,196	14,137
-	-	-	111,982	112,322
-	-	-	387,963	1,013,239
-	-	-	1,430,729	1,216,884
130,799	96,052	-	226,851	240,429
-	-	12,089,791	12,089,791	12,051,182
-	-	99,733,130	99,733,130	97,619,347
-	-	43,856,806	43,856,806	43,356,539
66,374	-	-	66,374	184,411
<u>\$ 5,082,997</u>	<u>\$ 3,009,275</u>	<u>\$ 155,679,727</u>	<u>\$ 197,505,377</u>	<u>\$ 193,851,060</u>
\$ -	\$ -	\$ -	631,400	\$ 1,967,671
1,853,052	-	19,552,653	21,405,705	22,136,494
-	-	195,522	195,522	267,649
-	409,899	-	409,899	420,603
-	-	-	3,696,426	3,408,174
-	-	-	1,430,729	1,216,884
-	-	-	2,303,503	2,727,555
<u>\$ 1,853,052</u>	<u>\$ 409,899</u>	<u>\$ 19,748,175</u>	<u>\$ 30,073,184</u>	<u>\$ 32,145,030</u>
\$ -	\$ -	\$ -	3,451,128	\$ 1,631,899
-	240,865	-	2,631,144	2,722,891
3,229,945	-	135,931,552	139,161,497	136,115,024
-	-	-	616,207	697,072
-	2,358,511	-	16,373,284	15,415,973
-	-	-	911,228	866,067
-	-	-	4,287,705	4,257,104
<u>\$ 3,229,945</u>	<u>\$ 2,599,376</u>	<u>\$ 135,931,552</u>	<u>\$ 167,432,193</u>	<u>\$ 161,706,030</u>
<u>\$ 5,082,997</u>	<u>\$ 3,009,275</u>	<u>\$ 155,679,727</u>	<u>\$ 197,505,377</u>	<u>\$ 193,851,060</u>

STATE OF VERMONT
VERMONT STATE COLLEGES
COMBINED STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES AND OTHER CHANGES
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(With comparative totals for the fiscal year ended June 30, 2000)

	Unrestricted Funds			Totals			
	General Fund	Designated Fund	Auxiliary Fund	Total Unrestricted	Total Restricted	2001	2000
REVENUES:							
Education and General:							
Tuition and fees.....	\$ 43,340,077	\$ 1,499,888	\$ -	\$ 44,839,965	\$ -	\$ 44,839,965	\$ 42,836,007
Federal and private grants.....	15,396	4,909,007	-	4,924,403	16,712,139	21,636,542	19,623,675
Investment income.....	1,190,974	7,054	-	1,198,028	15,534	1,213,562	723,379
Sales and services of educational departments.....	554,689	3,893,802	-	4,548,491	3,750	4,552,241	4,062,131
Change in fair value of investments....	(1,957)	-	-	(1,957)	-	(1,957)	285,568
Other sources.....	179,085	467,948	-	647,033	33,615	680,648	1,213,019
Total educational & general.....	\$ 45,278,264	\$ 10,877,699	\$ 0	\$ 56,155,963	\$ 16,765,038	\$ 72,921,001	\$ 68,743,779
Auxiliary enterprises.....	-	-	11,165,789	11,165,789	-	11,165,789	10,876,194
Total Revenues.....	\$ 45,278,264	\$ 10,877,699	\$ 11,165,789	\$ 67,321,752	\$ 16,765,038	\$ 84,086,790	\$ 79,619,973
Expenditures and							
mandatory transfers:							
Instruction.....	\$ 27,935,756	\$ 3,038,429	\$ -	\$ 30,974,185	\$ 794,438	\$ 31,768,623	\$ 29,201,663
Research.....	-	-	-	0	21,930	21,930	6,101
Public service.....	1,318,826	1,674,951	-	2,993,777	4,038,979	7,032,756	6,308,704
Academic support.....	8,974,160	2,921,586	-	11,895,746	1,990,557	13,886,303	12,992,343
Student services.....	3,502,115	1,668,867	-	5,170,982	935,815	6,106,797	5,842,898
Institutional support.....	13,680,652	1,691,860	-	15,372,512	192,559	15,565,071	17,568,215
Operation and maintenance of plant.....	6,177,219	70,535	-	6,247,754	12,723	6,260,477	5,570,260
Student financial aid.....	3,074,975	291,168	-	3,366,143	8,778,037	12,144,180	11,613,697
Mandatory transfers:							
Debt service.....	377,600	-	-	377,600	-	377,600	387,800
Loan fund matching grant.....	4,969	-	-	4,969	-	4,969	5,770
Total Educational & General.....	\$ 65,046,272	\$ 11,357,396	\$ 0	\$ 76,403,668	\$ 16,765,038	\$ 93,168,706	\$ 89,497,451
Auxiliary enterprises:							
Expenditures.....	\$ -	\$ -	\$ 8,109,306	\$ 8,109,306	\$ -	\$ 8,109,306	\$ 7,792,170
Mandatory transfers for debt service.....	-	-	1,433,600	1,433,600	-	1,433,600	1,419,800
Total Auxiliary Enterprises.....	\$ 0	\$ 0	\$ 9,542,906	\$ 9,542,906	\$ 0	\$ 9,542,906	\$ 9,211,970
Total Expenditures and Mandatory Transfers.....	\$ 65,046,272	\$ 11,357,396	\$ 9,542,906	\$ 85,946,574	\$ 16,765,038	\$ 102,711,612	\$ 98,709,421
Net Increase (Decrease)							
Before Other Transfers.....	\$ (19,768,008)	\$ (479,697)	\$ 1,622,883	\$ (18,624,822)	\$ 0	\$ (18,624,822)	\$ (19,089,448)
Excess of restricted receipts over transfers to revenues.....							
Transfers from primary government.....	19,965,701	890,000	-	20,855,701	-	20,855,701	19,947,043
Other transfers, net.....	1,621,536	(518,933)	(1,703,748)	(601,145)	(541,438)	(1,142,583)	(1,614,542)
Net Increase For The Year.....	\$ 1,819,229	\$ (108,630)	\$ (80,865)	\$ 1,629,734	\$ 457,099	\$ 2,086,833	\$ (121,580)

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STATE OF VERMONT
VERMONT STATE COLLEGES
COMBINED STATEMENT OF CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(With comparative totals for the fiscal year ended June 30, 2000)

	Current Funds				
	General Fund	Unrestricted Funds Designated Fund	Auxiliary Fund	Total Unrestricted	Total Restricted
Revenues and other Additions:					
Education and General.....	\$ 65,245,922	\$ 11,767,699	\$ -	\$ 77,013,621	\$ 17,763,575
Auxiliary enterprises.....	-	-	11,165,789	11,165,789	-
Private gifts - restricted.....	-	-	-	0	-
Federal grants - restricted.....	-	-	-	0	-
Investment income, including student loan interest.....	-	-	-	0	-
Change in fair value of investments.....	(1,957)	-	-	(1,957)	-
Net additions to plant facilities, including \$2,458,768 charged to current fund expenditures.....	-	-	-	0	-
Retirement of indebtedness.....	-	-	-	0	-
Other.....	-	-	-	0	-
Total revenues and other additions.....	\$ 65,243,965	\$ 11,767,699	\$ 11,165,789	\$ 88,177,453	\$ 17,763,575
Expenditures and other deductions:					
Educational and general expenditures.....	\$ 64,663,703	\$ 11,357,396	\$ -	\$ 76,021,099	\$ 16,765,038
Auxiliary enterprises expenditures.....	-	-	8,109,306	8,109,306	-
Student aid program.....	-	-	-	0	-
Expended for plant facilities, including non- capitalized expenditures of \$513,853.....	-	-	-	0	-
Retirement of indebtedness.....	-	-	-	0	-
Interest on indebtedness.....	-	-	-	0	-
Other.....	-	-	-	0	-
Total expenditures and other deductions.....	\$ 64,663,703	\$ 11,357,396	\$ 8,109,306	\$ 84,130,405	\$ 16,765,038
Transfers to (from) funds:					
Mandatory:					
Debt service.....	\$ (377,600)	\$ -	\$ (1,433,600)	\$ (1,811,200)	\$ -
Perkins Loan Fund matching grant.....	(4,969)	-	-	(4,969)	-
Transfers From Primary Government.....	-	-	-	0	-
Other, net.....	1,621,536	(518,933)	(1,703,748)	(601,145)	(541,438)
Total transfers.....	\$ 1,238,967	\$ (518,933)	\$ (3,137,348)	\$ (2,417,314)	\$ (541,438)
Net increase (decrease) for the year.....	\$ 1,819,229	\$ (108,630)	\$ (80,865)	\$ 1,629,734	\$ 457,099
Fund balances at beginning of year.....	1,631,899	2,498,909	697,072	4,827,880	1,892,581
Fund balances at end of year.....	\$ 3,451,128	\$ 2,390,279	\$ 616,207	\$ 6,457,614	\$ 2,349,680

Loan Funds	Endowment & Similar Funds	Plant Funds			Totals	
		Unexpended	Retirement of Indebtedness	Investment in Plant	2001	2000
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 94,777,196	\$ 89,040,621
-	-	-	-	-	11,165,789	10,876,194
-	540,141	-	-	-	540,141	539,285
14,905	-	-	29,734	-	44,639	50,579
94,696	294,051	111,788	53,641	-	554,176	701,505
-	(466,270)	-	(3,098)	-	(471,325)	543,931
-	-	-	-	3,238,689	3,238,689	10,431,020
-	-	-	-	924,000	924,000	878,000
47,298	-	-	-	-	47,298	79,193
<u>\$ 156,899</u>	<u>\$ 367,922</u>	<u>\$ 111,788</u>	<u>\$ 80,277</u>	<u>\$ 4,162,689</u>	<u>\$ 110,820,603</u>	<u>\$ 113,140,328</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 92,786,137	\$ 89,103,881
-	-	-	-	-	8,109,306	7,792,170
29,088	-	-	-	-	29,088	36,651
-	-	782,891	-	803,368	1,586,259	3,426,838
-	-	-	924,000	72,127	996,127	945,703
-	-	166,968	970,407	14,811	1,152,186	1,191,799
41,373	-	16,133	27,186	531,942	616,636	1,448,899
<u>\$ 70,461</u>	<u>\$ 0</u>	<u>\$ 965,992</u>	<u>\$ 1,921,595</u>	<u>\$ 1,422,248</u>	<u>\$ 105,275,739</u>	<u>\$ 103,945,941</u>
\$ -	\$ -	\$ (47,001)	\$ 1,858,201	\$ -	\$ 0	\$ 0
4,969	-	-	-	-	0	0
-	100,000	81,299	-	-	181,299	108,500
(15,645)	32,290	1,039,000	-	86,938	0	0
<u>\$ (10,676)</u>	<u>\$ 132,290</u>	<u>\$ 1,073,298</u>	<u>\$ 1,858,201</u>	<u>\$ 86,938</u>	<u>\$ 181,299</u>	<u>\$ 108,500</u>
\$ 75,762	\$ 500,212	\$ 219,094	\$ 16,863	\$ 2,827,379	\$ 5,726,163	\$ 9,302,887
5,123,171	11,164,881	3,010,851	2,582,493	133,104,173	161,706,030	152,403,143
<u>\$ 5,198,933</u>	<u>\$ 11,665,093</u>	<u>\$ 3,229,945</u>	<u>\$ 2,599,376</u>	<u>\$ 135,931,552</u>	<u>\$ 167,432,193</u>	<u>\$ 161,706,030</u>

STATE OF VERMONT
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2001

Note 1: SIGNIFICANT ACCOUNTING POLICIES:

A. Financial Reporting Entity:

For financial reporting purposes, the State of Vermont includes all funds, account groups, departments and agencies, commissions, and authorities of the State as well as legally separate agencies, commissions, authorities, and colleges and universities over which the State's executive, legislative and judicial branches exercise oversight responsibility. Oversight responsibility, as defined by the Governmental Accounting Standards Board (GASB)'s Codification of Governmental Accounting and Financial Reporting Standards, Section 2100 includes the following considerations:

- ◆ Financial interdependency
- ◆ Selection of governing authority
- ◆ Designation of management
- ◆ Ability to significantly influence operations
- ◆ Accountability for fiscal matters

In addition, the following criteria were considered during the evaluation of the legally separate entities for inclusion as Component Units:

- ◆ The scope of public services as to whether its activity benefits the State and/or its citizens, and whether the activity is conducted within the geographic boundaries of Vermont and is generally available to Vermont residents.
- ◆ The existence of any special relationships regardless of whether the government exercises oversight responsibilities that would cause the State's financial statements to be misleading or incomplete if the entity's financial activity were omitted.

As required by generally accepted accounting principles, these financial statements present the State of Vermont's primary government, which consists of all the organizations that make up its legal entity, and its component units. Complete financial statements issued by the individual component units as indicated below, can be obtained from their respective administrative offices. Authorizing statutes and reporting fund type classifications have been included where applicable.

1. Blended Component Units

The following legally separate organizations provide services entirely or almost entirely to the State or otherwise exclusively or almost exclusively benefit the State. Therefore, these organizations' balances and transactions are reported as though they were part of the primary government.

a) Vermont Low Level Radioactive Waste Authority
(Special Revenue Fund) (10 VSA 7010 – Repealed)

The Vermont Low Level Radioactive Waste Authority was created by the Vermont Legislature to manage the collection, handling and disposal of low level radioactive waste generated through the operation of nuclear power plants (primarily Vermont Yankee) and as by-products of medical research and industrial wastes in Vermont. It was terminated by Section 4 of Act 137 of the Vermont General Assembly, 1994 Adjourned Session effective June 30, 1994 in anticipation of Vermont becoming a member of the Texas Low Level Radioactive Waste Compact upon the Compact's ratification by the United States Congress. As of June 30, 2001, the Texas Low Level Radioactive Waste Authority, which was due to be the successor organization to the Vermont Low Level Radioactive Authority (statutorily terminated at June 30, 1994) has been ratified by the United States Congress but no site in Texas has been identified.

2. Discretely Presented Component Units

These component units are entities which are legally separate from the State, and which are either financially accountable to the State or, whose relation with the State is such that exclusion would cause the state's financial statements to be misleading or incomplete. They are reported on three separate discrete columns that are labeled (1) Component Units - Other, (2) Vermont State Colleges, and (3) University of Vermont, to emphasize their separation from the State's primary government.

a) Component Units - Other

This category includes the following organizations:

- 1) Vermont Student Assistance Corporation
(Proprietary Fund Type) (16 VSA 2861)

The Vermont Student Assistance Corporation (VSAC) was established by the General Assembly to provide opportunities for persons who are residents of Vermont to attend colleges or other institutions of higher education by awarding grants and by making, financing, servicing, and guaranteeing loans to qualifying students. VSAC issues audited financial statement under separate cover. For further information, contact their administrative offices at the Champlain Mill, P.O.Box 2000, Winooski, Vermont. 05404-2601.

- 2) Vermont Educational and Health Buildings Financing Agency
(Governmental Fund Type) (16 VSA 3852)

This is a non-profit entity which finances or assists in the financing of projects for eligible educational or health related entities. It has a December 31 (annual) year-end and issues audited financial statements under separate cover. For further information, they can be contacted at 2 Spring St., P.O. Box 1219, Montpelier, Vermont. 05601-1219.

- 3) Vermont Housing and Conservation Board (VHCB)
(Governmental Fund Type) (10 VSA 311)

The Vermont General Assembly created and charged this non-profit organization with the two goals of (1) creating affordable housing for Vermont residents, and (2) conserving and protecting Vermont's agricultural land, historical properties, important natural areas, and recreational lands. VHCB issues audited financial statements under separate cover. Additional information may be obtained by contacting them at 136 Main St., Drawer 20, Montpelier, Vermont. 05620-3501

- 4) Vermont Economic Development Authority
(Proprietary Fund Type) (10 VSA 213)

The Vermont Economic Development Authority (VEDA), formerly the Vermont Industrial Development Authority, was created by the Vermont Legislature for the purpose of promoting economic prosperity in the State by (1) directly financing eligible businesses and projects, including manufacturing, agricultural, and travel and tourism enterprises; and (2) operating programs which provide eligible borrowers with access to capital.

In 1983, VEDA incorporated a wholly owned Small Business Administration (SBA) Section 503 Certified Development Corporation (VT503) which is involved in providing loans under the "REAL and REAL II Programs" under the Vermont Intermediary Relending Programs.

During fiscal year 1995, the Authority was authorized by the Vermont General Assembly to incorporate a non-profit corporation to operate as the Vermont Small Business Development Corporation (VSBDC). The Authority contributed \$50,000 to the capital of the VSBDC in order to secure a \$1 million Farmers Home Administration Intermediary Relending Program loan.

Effective June 30, 1999 the Vermont General Assembly repealed the statute governing the Agricultural Finance Program ("AFP") and the Debt Stabilization Program ("DSP") and authorized the Authority to incorporate the Vermont Agricultural Credit Corporation ("VACC") and consolidate the assets and liabilities of both the AFP and DSP into it. The General Assembly appropriated \$3.5

million to further capitalize the VACC.

VEDA also administers the State Infrastructure Bank and the Drinking Water State Revolving Loan Fund – Private Loans. These two funds are administered for the benefit of the State and are combined in the Authority's Agency Fund.

Audited financial statements or additional information for any of these entities may be obtained by contacting VEDA, 56 East State Street, Montpelier, Vermont 05602.

5) Vermont Municipal Bond Bank
(Governmental Fund Type) (24 VSA 4571)

The Vermont Municipal Bond Bank (VMBB) was established by the Vermont Legislature for the purpose of fostering and promoting adequate capital markets and facilities for borrowing money by governmental units of the State of Vermont for financing of public improvements or other purposes. The Bank is authorized to carry out this function by borrowing money and by issuing its own bonds and notes to obtain funds in order to purchase bonds and notes issued by local governmental units. It has a December 31 year-end and issues audited financial statements under separate cover.

VMBB also administers the Special Environmental Revolving Fund in accordance with 24 VSA 4753(b). This fund has a June 30 year-end and issues its own audited financial statements. For reporting purposes its financial statements have been blended into the State's Federal Fund Financial Statements in this CAFR.

Further information may be obtained by contacting VMBB at 2 Spring Street, P.O. Box 1219, Montpelier, Vermont 05601-1219.

6) Vermont Center for Geographic Information
(Governmental Type Fund) (10 VSA 121)

The Vermont Legislature established the Vermont Center for Geographic Information and charged it with creating a comprehensive strategy for the development and use of a geographic information system. Audited financial statements may be obtained by contacting them at the University of Vermont, 206 Morrill Hall, Burlington, Vermont 05405-0106.

7) Vermont Sustainable Jobs Fund, Inc
(Proprietary Fund Type) (10 VSA 326)

The Vermont legislature established a jobs program and directed that the Vermont Economic Development Authority (VEDA) set up a non-profit corporation to implement the program. Under the provisions of the above statute, VEDA is directed to establish policies and procedures in order to fulfill the goals listed in 10 VSA 326(a). Audited financial statements for the Vermont Sustainable Jobs Fund Inc may be obtained by contacting the Vermont Economic Development Authority, 56 East State Street Montpelier, Vt. 05602.

8) Vermont Transportation Authority (VTA)
(Proprietary Fund Type) (29 VSA 701)

The Vermont Transportation Authority was created by the Vermont Legislature pursuant to the acquisition, operation, or support of an authorized transportation facility as defined in 29 VSA 701, and as specifically authorized by the Vermont General Assembly. Its only current activity is managing the commuter rail line running from Shelburne, Vermont to Burlington, Vermont. In previous CAFRs, it was reported as a blended component unit. For fiscal year 2001 its discretely presented financial statements were not available and so have not been included in this report. In the future, it will issue audited financial statements that may be obtained by contacting it at 1 Main Street, Burlington, Vermont 05401.

9) Vermont Veterans' Home
(Proprietary Fund Type) (No. 180 of Acts of 1884)

The Vermont Veterans' Home was originally chartered in 1884 by the Vermont Legislature

and officially incorporated on November 24, 1884. The home is overseen by a Board of Trustees that are appointed by the Governor. They issue their own audited financial statements. Additional information may be obtained by contacting the home at 325 North Street, Bennington, Vermont 05201.

b) University of Vermont (16 VSA 2281)

This reporting entity includes the financial activity of both the University of Vermont and the State Agricultural College. Its financial statements, which have been issued under separate cover, have been prepared on the accrual basis in accordance with generally accepted accounting principles as promulgated in the Industry Audit Guide for Colleges and Universities issued by the American Institute of Certified Public Accountants. Additional information may be obtained by contacting the University's administrative offices.

c) Vermont State College System (16 VSA 2171)

This reporting entity includes financial activity for the following organizations:

- 1) Community College of Vermont
- 2) Castleton State College
- 3) Johnson State College
- 4) Lyndon State College
- 5) Vermont Technical College
- 6) Vermont Interactive Television
- 7) Offices and Services

It issues audited financial statements under separate cover which are prepared on the accrual basis using the fund method of accounting. Additional information may be obtained by contacting the Office of the Chancellor, Vermont State Colleges, P.O. Box 359, Waterbury, Vermont 05676.

3. Joint Ventures

A joint venture is a legal entity or other contractual arrangement that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain an ongoing financial interest or responsibility. The following list of entities shown with the statutes authorizing the State's participation has been classified as joint ventures. The financial activities of these organizations have not been included in the State's financial statements; however, see Note 15 for a summary of the financial activity of the Tri-State Lotto Commission.

- a) Connecticut River Atlantic Salmon Committee (10 VSA 4654)
- b) Connecticut River Valley Flood Control Commission (10 VSA 1153)
- c) New England Board of Higher Education (16 VSA 2692)
- d) New England Interstate Water Pollution Control Commission (10 VSA 1333)
- e) Northeastern Forest Fire Protection Commission (10 VSA 2503)
- f) Tri-State Lotto Commission (31 VSA 673)
- g) Texas Low Level Radioactive Waste Disposal Compact (10 VSA 7013)

4. Related Organizations

Related Organizations are separate legal entities for which the primary government is accountable only because it appoints a voting majority of the board but for which it is not financially accountable. The following entities along with their authorizing statutes have been classified as related organizations and their financial activity has not been included in the State's financial statements.

- a) Vermont State Housing Authority (24 VSA 4005)
- b) Vermont Housing Finance Agency (10 VSA 611)

5. Excluded Organizations

The following entities have been determined not to be part of the reporting entity after applying the criteria of GASB Statement No. 14: "The Financial Reporting Entity"

- a) Vermont Council on the Humanities
- b) Vermont Council on the Arts
- c) Vermont Historical Society
- d) Vermont Public Power Supply Authority

These organizations are not included in the reporting entity because they are legally separate entities and the voting majority of their governing boards are not appointed by the State. They are not fiscally dependent on the State's primary government and exclusion from the financial reporting entity would not render Vermont's financial statements incomplete or misleading.

B. Fund Accounting and Fund Structure:

The State of Vermont's Accounting System is organized and operated on a fund basis. A fund is defined as an accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying-on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The accompanying financial statements are structured into three fund types and one account group. The general characteristics of the fund types and account group are as follows:

1. Governmental Fund Types:

a) General Fund: The General Assembly has established the General Fund as the basic operating fund of the State. As such, the General Fund is used to finance all expenditures for which no special revenues have otherwise been provided by law. All revenues received by the State and not otherwise required by law to be deposited in any other designated fund or used for any other designated purpose are deposited in the General Fund. Unexpended and/or unencumbered appropriation balances will, unless otherwise directed by law, revert to fund balance at the end of the fiscal year.

b) Special Revenue Funds: Special Revenue Funds are used to account for revenues specifically earmarked to finance only particular or restricted programs and activities and include the following:

1) Transportation Fund: Transportation Fund revenues are used primarily for preservation, maintenance, and improvements to the transportation infrastructure, including highways, bridges, railroads, air, public transportation, and other related activities, as well as for maintenance and staffing of highway rest areas, construction of transportation capital facilities, and debt service for transportation facilities. In addition, 24.5% of the previous year's appropriations may be appropriated for support of the general government. This percentage decreases in fiscal year 2002 and beyond to 23%. The principal sources of revenue in this fund are motor fuel taxes, motor vehicle purchase and use tax, motor vehicle license and registration fees, traffic ticket revenue, other statutorily specified revenues, as well as reimbursements from the federal government for federal aid transportation projects.

2) Education Fund: This Fund was established by Act 60 and codified as 16 VSA 4025 to equalize statewide education funding requirements. Expenditures authorized for funding are codified in 16 VSA 4025(b) and may include only legitimate items of current education expense. Funding is described in 16 VSA 4025(a) and includes the following sources: Statewide Education Property Tax; State's portion of Local Share Property Tax; State Lottery revenues; percentages of the revenue from the Meals and Rooms Tax, Corporate Income Tax, Motor Fuel Tax on gasoline, Bank Franchise Tax, Purchase and Use Tax; and other reimbursements and fees. An Education Fund Budget Stabilization Reserve has also been established in accordance with the terms of 16 VSA 4026.

3) Fish and Wildlife Fund: Receipts are restricted by statute and can only be used for fish and wildlife purposes. The principal sources of revenue are license fees and federal grants.

4) Federal Revenue Fund: All federal grant receipts are recorded in the Federal Revenue Fund except for those federal funds specifically designated for transportation related or fish and wildlife purposes. Grants of the latter types are recorded in the State's Transportation Fund or Fish and Wildlife Fund, respectively.

5) Special Fund: This fund accounts for proceeds or specific revenues not categorized above that are legally restricted to expenditures for specified purposes.

- c) **Capital Projects Funds:** These funds, consisting of the General Bond Fund and the Transportation Bond Fund, account for capital improvement expenditures. These appropriations are or will be primarily funded by the issue of State bonds.

2. Proprietary Fund Types:

- a) **Enterprise Funds:** These funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises. The State's intent in these funds is to recover the cost (expenses, including depreciation) of providing goods or services to the public primarily through user charges. In some instances this fund type is utilized to periodically determine the revenues earned, expenses incurred, and/or that the amount of net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.
- b) **Internal Service Funds:** These funds are used to account for the financing of goods or services provided by one state department or agency to other state departments or agencies, or to other governmental units. The objective is not to make a profit but rather to recover, over a period of time, the total cost of providing the goods and services.

3. Fiduciary Fund Types:

These funds account for assets held by the State in a trustee capacity or as an agent for individuals, private organizations, other governmental units and other funds. These funds include the following:

- a) **Pension Trust Funds:** These funds are used to account for the activities for the state-administered retirement systems.
- b) **Non-expendable Trust Funds:** These funds are used to account for the activities of trusts whose income is used to fund the trust purpose but whose principal is to be maintained intact.
- c) **Expendable Trust Funds:** These funds are used to account for the activities of trusts whose principal and income may be used for purposes of the trust.
- d) **Agency Funds:** These funds are used to account for amounts held in trust for others. Agency Funds include such accounts as federal and state withholding taxes and other payroll deductions of state employees and applicable state matching contributions.

4. Account Groups:

- a) **General Long Term Debt Account Group:** This account group is a self balancing set of accounts set up to provide management control and an accountability list of the unmatured general long term debt and other obligations of the State. This account group is not a fund and it does not measure the results of operations. It is concerned only with the measurement of financial position. The State of Vermont's General Long Term Debt Account Group includes long-term liabilities for the retirement of general obligation bonds, compensated leave, and net pension obligation.

- b) **General Fixed Assets Account Group:** Contrary to generally accepted accounting principles, no accounting records are maintained and no statements are presented for the general fixed assets for governmental fund type operations of the State of Vermont.

C. Basis of Accounting:

1. All Governmental Funds, Expendable Trust Funds, Agency Funds, and Governmental Fund Type Discretely Presented Component Units:

These funds are accounted for utilizing the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the revenue can be reasonably determined and "available" means the amounts are collectible within the current period or soon enough thereafter to pay the liabilities of the current period. Except for personal income taxes and federal grant revenues, the State considers all revenues available if they are collected within 60 days after fiscal year end. At June 30, 2001, the State considered as available, \$40 million of payments for personal income taxes to be received by the State during the period January 1 to April 15, 2002. Federal grant revenues are recognized when the qualifying expenditures have been incurred. Revenue received by the State before it has a legal claim to it is recorded as deferred revenue.

Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt, which is recognized when due, and certain compensated absences which are recognized when the obligations are expected to be liquidated with expendable available financial resources. In accordance with Section 1600.110 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, the State recorded, at June 30, 2001 as a current liability, \$42.8 million of estimated personal income tax refunds which will be paid out during fiscal year 2002.

2. Proprietary Funds, Pension Trust Funds, Non-expendable Trust Funds and Discretely Presented Proprietary Fund Type Component Units:

These funds are accounted for utilizing the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recognized when earned and expenses are recorded at the time liabilities are incurred.

The State's Proprietary Funds have elected not to apply standards issued by the Financial Accounting Standards Board (FASB) after November 30, 1989. The proprietary funds have applied all applicable pronouncements issued by the Governmental Accounting Standards Board (GASB).

3. University Of Vermont (UVM) and The Vermont State College System (VSC):

These entities account for their activity using the accrual basis of accounting in accordance with generally accepted accounting principles set forth for public colleges and universities. VSC has elected not to apply standards issued by the Financial Accounting Standards Board (FASB) after November 30, 1989.

4. GASB Statement # 33

In December 1998 the Governmental Accounting Standards Board issued statement #33 –Accounting and financial reporting for non-exchange transactions which establishes accounting and financial reporting for non-exchange transactions. This statement establishes standards for determining the timing of recognition of non-exchange transactions in the financial statements. Non-exchange revenues include Derived Tax Revenues such as sales and income taxes; Imposed Non-exchange Revenues such as property taxes; Government Mandated Non-exchange Transactions such as federal programs that state or local governments are required to perform; and Voluntary Non-exchange Transactions such as certain grants and private donations. The State adopted provisions of this statement for the Year ended June 30, 2001.

D. Budgetary Process:

The head of every State department, board or commission, and any officer or individual having in charge any activity for which funds are appropriated by the General Assembly, on or before September 1, preceding each biennium, is required to file with the Commissioner of Finance and Management statements showing in detail the amounts appropriated and expended for both the current and preceding fiscal year and the amount estimated for such activity to be necessary for the current and preceding fiscal year and the amount estimated for such activity to be necessary for the ensuing two fiscal years. The Commissioner of Finance and Management and the Secretary of Administration are then required to submit to the Governor by November 15, preceding each biennium, the estimates as received together with any other estimates, for the two ensuing fiscal years. The Governor submits to the General Assembly, no later than the third Tuesday of every regular session, a budget which shall embody estimates, requests and recommendations for appropriations or other authorizations for expenditures from the state treasury for at least the succeeding fiscal year. The General Assembly then enacts into law an appropriations act that must be approved by the Governor before expenditures can be made. In recent years in accordance with Act 205 of 1979 Section 125, it has been the practice of the Governor to submit an annual budget and the General Assembly to enact appropriations on an annual basis.

Budgets are prepared and appropriated on the cash basis usually at the program level. The Governor may amend appropriations within limits established by statute. The Agency of Administration maintains budgetary control by major object (i.e. personal services, operating expense, etc.) at the appropriation level. General, Transportation, Education, Special and Fish and Wildlife Funds' appropriation balances revert to fund balance at the end of each fiscal year unless authorized to be carried forward to the following year by legislative act. Unexpended balances of capital projects and federal revenue funds are available for expenditure in the following fiscal year.

The State also utilizes, to a limited degree, encumbrance accounting for governmental funds under which certain purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable unexpended appropriation. Encumbrances outstanding at year-end are reported as reservations of fund balance. Reported encumbrances do not include all commitments.

E. Cash and Cash Equivalents:

Cash balances for most funds are deposited with the State Treasurer, except for the Pension Trust Funds, Capital Projects Funds, and the Single Deposit Investment Account Fund. Cash balances deposited with the State Treasurer are pooled together and available amounts beyond immediate cash requirements are invested in short term investments.

Income earned on the short-term investments is allocated to those funds authorized to receive it with the balance of the allocated income going to the General Fund.

Cash and cash equivalents as reported in the financial statements, include bank accounts, impress cash, short-term investments with an original maturity of three months or less such as certificates of deposit, commercial paper, federal government agencies discount notes, money market accounts, and repurchase agreements.

F. Receivables:

Receivables in the governmental funds consist primarily of accrued taxes, federal grants receivable, and notes receivable from component units. Personal income taxes receivable are primarily taxpayer-assessed taxes owed by the taxpayer for the period ended June 30, and which were received by the State during the following 10 months. These revenues are susceptible to accrual in accordance with measurable and available criteria under the modified accrual basis of accounting. Federal receivables are amounts due from the federal government to reimburse the State for expenditures incurred pursuant to federally funded programs. Notes Receivable in the General Fund consist primarily of advances in the form of Vermont Economic Development Authority (VEDA) notes purchased by the State. See Note 12 – Contingent and Limited Liabilities for further information. No allowances for non-collectible accounts have been recognized in these receivables as taxes receivable are substantially based on subsequent collections and the collection of amounts due from the federal government are reasonably assured.

The "Other Receivable" balance under the Fiduciary Fund Types – Trust and Agency column includes \$104,154,683 for the Vermont State Retirement Fund, \$15,070,562 for the Vermont Teacher's Retirement Fund and \$5,281,720 for the Vermont Municipal Employees Retirement Fund. These receivable amounts represent monies due to the respective pension trust funds for investments sold prior to June 30, 2001, but for which the receipts were received subsequent to June 30, 2001.

G. Inventories:

Inventories of materials and supplies of governmental funds are recorded as expenditures when purchased. Inventories of the proprietary fund types are generally valued at the lower of average cost or market.

H. Fixed Assets and Depreciation:

General fixed assets are recorded as expenditures in the governmental funds when the assets are acquired. No accounting records are maintained and no statements are presented for governmental general fixed assets.

Fixed assets in the proprietary funds are capitalized at cost when acquired. Depreciation is calculated and recorded using the straight-line method and estimated useful lives of 20-50 years for buildings and improvements and 3-24 years for equipment, machinery, and furnishings.

When fixed assets are disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in income for the period. Significant renewals and improvements that increase the life expectancy are capitalized and deductions are made for retirements resulting from the renewals or improvements.

I. Payables:

The accounts payable amount consists of operating liabilities incurred prior to fund year-end (usually June 30) for which payment was due as of June 30; and for which payment will be made subsequent to June 30.

The "Other Liabilities" balance under the Fiduciary Fund Type – Pension Trust Funds - includes \$120,464,904 for the Vermont State Retirement Fund, \$14,344,147 for the Vermont Teachers' Retirement Fund, \$23,122,499 for the Vermont Municipal Employees' Retirement Fund, and \$2,004,375 to the Single Investment Deposit Account. These figures represent amounts due for securities purchased prior to June 30, 2001 but which were paid subsequent to June 30, 2001.

J. Accrued Liabilities:

Accrued liabilities consist of employee wages and related fringe benefit accruals earned as of June 30 but paid subsequent to June 30, calculated using the rate of pay in effect on June 30, 2001. Retainage payable consists of portions of progress payment amounts due to contractors that are being withheld and which will be paid by the State to the contractors upon final completion and acceptance of the contracted item or service.

K. Tax Refunds:

Tax refunds primarily represent amounts owed by the State to taxpayers because of overpayment of their 2000 calendar year and first and second quarter 2001 calendar year tax liabilities. Tax refunds payable, which reduce respective tax revenues, are accrued to the extent they are measurable based on payments and estimates. The amount of personal income tax refunds payable is comprised of estimates of overpayments of the first and second calendar quarters of 2001 tax liability and payments of 2000 calendar and prior year refunds. The remaining portion of tax refunds payable is comprised of payments made subsequent to the end of the fiscal year and estimates of the refund liability.

L. Reserve for Debt Service:

The General Fund reserved balance of \$87,993 at June 30, 2001 is comprised of the following:

1. During fiscal year 1993, the State initiated a lawsuit to recover costs associated with asbestos removal. A settlement agreement between the contractor and State was reached which has resulted in net proceeds of \$1,734,543 being credited to and reserved in the General Fund to meet future debt service obligations associated with the issuance of bonds relating to asbestos removal. The reserved amount is reduced annually through fiscal year 2009 in proportion to the repayment schedule of the bonds issued to refinance the asbestos removal. Public Act 178 of 1996 authorized the use of \$860,874 of these funds in fiscal year 1996. The remaining reserved balance at June 30, 2001 is \$87,993

M. Reserve for Human Services Caseload Management:

The Reserve for Human Services Caseload Management, established pursuant to Title 32 of the Vermont Statutes Annotated, Section 308b(a), was created to be available for appropriation to meet caseload-related needs at the Agency of Human Services. The Secretary of Administration may transfer to the reserve any general fund unexpended appropriations directly attributable to Aid to Needy Families with Children (ANFC) caseload reductions and the effective management of related federal receipts. During fiscal year 2001, \$2,000,000 was transferred to the reserve, bringing the reserve balance to \$18,048,618 at June 30, 2001.

N. Reserve for General Fund Surplus:

The Reserve for General Fund Surplus was established pursuant to Public Act 147 of 1998, Section 277(5) as amended by Public Act 1 of 1999, Section 88. The reserve is to be credited with the budgetary based surplus for the year ended June 30, 2001, as determined by the Commissioner of Finance and Management. The reserve shall not be expended except by specific appropriation of the general assembly. The reserve balance at June 30, 2001 is \$4,347,360

O. Compensated Employee Absences:

Compensated absences include accumulated unpaid vacation, compensatory time, and personal leave credits. Liabilities related to proprietary fund types are recorded in the fund whereas compensated absences related to governmental funds are recorded in the General Long Term Debt Account Group.

Classified state employees may accrue vacation leave based on the number of years employed up to a maximum rate of 24-days a year, but may accumulate no more than a maximum of 45 days. At June 30, 2001, the State has a liability for employees' earned vacation credits totaling approximately \$21,425,987 of which \$20,434,836 was applicable to the governmental funds and which will be liquidated in future periods either as salary payments as vacation leave is taken or by cash payment upon termination of employment.

The State also has a personal leave and compensatory time total liability of approximately \$4,370,874 at June 30, 2001 of which \$4,191,158 was applicable to the governmental funds and which accumulates as earned by employees.

Employees have also earned sick leave credits that may only be liquidated if and when sickness or injury is incurred and which, therefore, do not represent a liability of the State. Employees accrue sick leave at a maximum rate of 21 days a year. There is no limit on the total accumulation of earned sick leave days. The accumulated amount of unused sick leave at June 30, 2001 is approximately \$106,967,599 for all governmental funds.

The above amounts are calculated based on state employees' pay rates at June 30, 2001.

P. Interfund Transactions:

1. Interfund Loans: Short-term loans between funds outstanding at fiscal year-end for things such as cash overdrafts are recorded as Interfund Receivables/Payables. Advances To/From Other Funds represent long term interfund loans receivable and payable.

2. Reimbursements: Reimbursements result when one fund makes an expenditure/expense for a second fund when that expenditure or expense is properly applicable to the second fund. Reimbursement transactions reduce expenditures in the reimbursed fund and increase expenditures/expenses in the reimbursing fund.

3. Quasi-external Transactions: These transactions occur between two governmental funds that would be accounted for as revenue and expenditures/expenses as if they occurred between a government entity and a private sector entity.

4. Residual Equity Transfers: These transfers are defined as nonrecurring and non-routine transfers of equity between two funds.

5. Operating Transfers: These transfers encompass all types of transfers, except for the residual equity transfers, and are primarily routine transfers of appropriation resources between funds. Operating transfers are not revenue, expenditures, or expenses and are classified as "Other Funding Sources (Uses)" in the operating statements of the

Governmental funds and in a separate subsection before net income in the Proprietary fund types.

Q. Prepaid Expenses:

In the Governmental Type Funds, all purchases are recorded as expenditures when paid. In the Proprietary Funds, Non-expendable Trust Funds, and Pension Trust Funds certain payments reflect costs applicable to future accounting periods and are recorded as prepaid items.

R. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

S. Reclassifications:

Certain amounts in prior year financial statements have been reclassified to conform to the current year presentation.

T. Total Columns on Combined Statements:

Total Columns on the accompanying combined statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns does not portray present financial position or operating results nor does it reflect data comparable to a consolidation. Interfund transactions have not been eliminated.

Note 2: DEFICIT FUND BALANCES/RETAINED EARNINGS:

The following individual funds have deficit Fund Balances/Retained Earnings at June 30, 2001:

Enterprise Funds:

- Industrial Homework Office Fund: Although this fund has deficit retained earnings of \$63,762 at June 30, 2001, it does not have a negative fund equity position at that date.
- Vermont Life Magazine Fund: Although this fund has deficit retained earnings of \$556,452 at June 30, 2001, it does not have a negative fund equity position at that date.
- Federal Surplus Property Fund: Although this fund has a deficit retained earnings of \$124,217 at June 30, 2001, it has a positive fund equity position of \$199,498 at that date. This is compared to a negative fund equity position of \$60,125 at June 30, 2000.

Internal Service Funds:

- State Liability Insurance Fund: This fund has deficit retained earnings of \$191,892 at June 30, 2001. The State intends to eliminate this deficit through a rate adjustment.
- Workers' Compensation Fund: This fund has a deficit retained earnings of \$3,305,614 at June 30, 2001. The State will eliminate this deficit through a rate adjustment.
- Property Management Fund: This fund has a deficit retained earnings of \$2,065,079, which is the result of depreciating three buildings over 50 years which were purchased with 20 year capital bonds. This deficit is expected to increase into the near future and then will reverse and become positive once the bonds are amortized and the depreciation costs continue to be recovered.
- GOVnet Fund: This fund has a deficit retained earnings of \$119,095 at June 30, 2001, a reduction of \$57,986 as compared to the June 30, 2000 deficit. The State will continue to adjust the billing rates for GOVnet services to eliminate this deficit.

Note 3: CASH, CASH EQUIVALENTS, AND INVESTMENTS:

The State pools substantially all cash and investments of governmental, proprietary, and agency funds, except those which are maintained separately in accordance with legal restrictions. Separate cash and investment accounts are generally maintained for pension funds and capital projects funds. Each fund's equity share of the total pooled cash and investments and restricted assets are included on the accompanying balance sheets.

Schedule of Deposit and Investment Disclosures
June 30, 2001
Combined Balance Sheet

Cash and Cash Equivalents	\$ 1,070,368,299
Investments	2,806,375,650
Restricted Cash	<u>4,433,184</u>

Total **\$ 3,881,177,133**

Deposits, Investments, and Reconciling Items

Carrying Value of Deposits	\$ 430,693,845
Carrying Value of Investments	3,139,731,729
Cash on Hand	739,995
U.S. Treasury - Unemployment Account	<u>310,011,564</u>

Total **\$ 3,881,177,133**

DEPOSITS:

The following statutory requirement and Treasury Department policy have been implemented to minimize risk associated with deposits. 32 VSA Sec. 431 establishes the requirements the State Treasurer must adhere to when depositing public monies. The statute sets parameters regarding the amount of funds that may be on deposit with any particular institution at any one time. Although not statutorily required, the State Treasurer requires State cash deposits to be collateralized with either United States Treasury securities or Vermont Municipal securities or a combination of same with a current market value equal to at least 102% of the amount of the deposit.

Deposits are classified as to credit risk by the three categories described below:

Category 1 Fully insured or collateralized with securities held by the State or its agent in the State's name.

Category 2 Collateralized with securities held by the pledging institution's trust department or its agent in the State's name.

Category 3 Uncollateralized.

At June 30, 2001, the State's deposits, listed by credit risk category, are shown in the following schedule:

	Categories			Bank Balance	Reported Amount
	1	2	3		
Primary Government	\$ 5,282,155	\$ 14,498,673	\$ 86,336,184	\$ 106,117,012	\$ 86,455,201
Component Units	<u>1,755,625</u>	<u>12,138,025</u>	<u>335,475,105</u>	<u>349,368,755</u>	<u>344,238,644</u>
Total	\$ 7,037,780	\$ 26,636,698	\$ 421,811,289	\$ 455,485,767	\$ 430,693,845

INVESTMENTS:

Effective July 1, 1997, the State adopted provisions of GASB No.31, "Accounting and Reporting for Certain Investments and for External Investment Pools." GASB No.31 requires investments to be reported at fair value in the balance sheet.

The U.S. Treasury - unemployment account balance of \$310,011,564 at June 30, 2001 is on deposit with the U.S.Treasury and is not categorized.

The disclosure of carrying (book) amounts by type of investment are classified in the following three categories of credit risk:

1. Insured, registered or securities held by the State or its agent in the State's name.
2. Uninsured and unregistered, with securities held by counterparty's Trust Department or agent in the State's name.
3. Uninsured and unregistered, with securities held by the counterparty or by its trust department or agent, but not in the State's name.

32 VSA 433 defines the parameters the Treasurer must adhere to when investing State monies. Types of investments the Treasurer may utilize include obligations of the United States, its agencies and instrumentalities, and any repurchase agreements whose underlying collateral consists of such obligations; certificates of deposit issued by banks and savings and loan associations approved by the Treasurer; prime banker acceptances; prime commercial paper; tax exempt securities; and domestic money market funds. The boards overseeing the various pension funds have adopted their own sets of investment guidelines.

At June 30, 2001 the State's investments, categorized by the credit risk categories listed above, are shown in the following schedule:

INVESTMENTS				
	Categories			Carrying Amount
	1	2	3	
<u>Primary Government</u>				
Stocks	\$ 1,236,677,191	\$	\$	\$ 1,236,677,191
U.S. Government Securities	406,420,305			406,420,305
Corporate Bonds and Notes	559,483,252			559,483,252
Other Investments	171,417,595			171,417,595
Subtotals				\$ 2,373,998,343
Not Categorized:				
Real Estate/Venture Capital				235,804,504
Mutual Funds				117,025,056
Lottery Annuity				888,931
Mortgages				91,573
Totals - Primary Government	\$ 2,373,998,343	\$ 0	\$ 0	\$ 2,727,808,407
<u>Component Units</u>				
U.S. Government Obligations	\$ 64,534,299	\$ 7,087,876	\$ 50,982,724	\$ 122,604,899
Corporate Bonds	17,607,451	4,417,000		22,024,451
Stocks	40,822,056			40,822,056
Other	18,549,043	169,780,634	38,142,239	226,471,916
Totals - Component Units	\$ 141,512,849	\$ 181,285,510	\$ 89,124,963	\$ 411,923,322
Totals - Reporting Entity				\$ 3,139,731,729

Securities Lending Transactions

State statutes and boards of trustees policies permit the State of Vermont Treasurer's office to use investments of the three pension plans to enter into securities lending transactions - loans of securities to broker dealers and other entities for collateral with a simultaneous agreement to return the collateral for the same securities in the future. The pension plans' securities dealer, State Street Bank and Trust Company (State Street), is the agent in lending the plans' domestic securities for cash collateral of 102% and international securities for cash collateral of 105%. At year-end the pension plans have no credit risk exposure to borrowers because the amounts the plans owe the borrowers exceed the amounts the borrowers owe the plans. The lending agent indemnified Vermont by agreeing to purchase replacement securities or to return cash collateral in the event borrowers fail to return the securities (and if the collateral is inadequate to replace the securities lent) or fail to pay Vermont for income distributions by the securities' issuers while the securities were on loan. There were no losses during the Fiscal Year resulting from a default of the borrowers or State Street.

During the fiscal year, Vermont and the borrowers maintained the right to terminate all securities loans on demand. The cash collateral received on each loan was invested in collective investment pools with an average duration of 73 days at June 30, 2001. Because loans were terminable at will, their duration did not generally match the duration of the investments made with the cash collateral. On June 30, 2001, the collateral held and the market value of the securities on loan for Vermont was \$214,724,461 and \$209,750,675, respectively.

Below are the statutory references that allow the pension plans to participate in the securities lending program.

Statute Reference

3 VSA 471(m)
16 VSA 1942(q)
24 VSA 5062(o)

Retirement Plan

Vermont State Employees Retirement Fund
Vermont Teachers' Retirement Fund
Vermont Municipal Employees Retirement Fund

Note 4: SUMMARY OF PROPRIETARY FUND FIXED ASSETS:

A summary of Proprietary Fund's property, plant and equipment at June 30, 2001 is shown below:

	<u>Enterprise</u>	<u>Internal Service</u>
Land	\$	\$ 26,156
Buildings & Leasehold Improvements	41,850	
Machinery and Equipment	888,442	43,178,295
Accumulated Depreciation	<u>(390,541)</u>	<u>(23,387,573)</u>
Total	\$ <u>539,751</u>	\$ <u>19,816,878</u>

Note 5: RETIREMENT PLANS AND OTHER POST EMPLOYMENT BENEFITS:

A. Retirement Plan Descriptions

Defined Benefit Retirement Plans

In accordance with State Statutes, the State Treasurer and the individual retirement systems' Board of Trustees administer the State's three defined benefit pension plans and one defined contribution plan. These systems are considered part of the State's reporting entity and are included in the accompanying financial statements as pension trust funds in the Trust and Agency fund type. There are no separate stand-alone financial statements issued for these plans.

The Vermont State Retirement System (VSRS) (3 VSA 455) is a single-employer public employee defined benefit retirement system which covers substantially all general state employees and State Police, except employees hired in a temporary capacity. Membership in the system is a condition of employment. The membership consists of:

- (1) employees who belonged to the original contributory system (Groups A and D with a contribution rate of 5.1% of payroll and Group C with a contribution rate of 6.28% of payroll)
- (2) vested members of the non-contributory system (Group E)
- (3) members of the new contributory system (Group F) who contribute at a rate of 3.35% of payroll.

The State Teachers' Retirement System (STRS) (16 VSA 1931) is a cost sharing multiple-employer public employee retirement system. It covers nearly all public day school and nonsectarian private high school teachers and administrators as well as teachers in schools and teacher training institutions within and supported by the State that are controlled by the state board of education. Membership in the system for those covered classes is a condition of employment. The membership is made up of:

- (1) contributory members from the old system (Group A) who contribute at a rate of 5.5%
- (2) vested members of the non-contributory system (Group B)
- (3) members of a new contributory system who contribute at a rate of 3.4% of covered payroll (Group C).

The State appropriates funding for pension costs associated with the above two plans. In fiscal years prior to 1982, both systems were solely contributory. Under legislation effective July 1, 1981, Vermont State employees and State teachers could elect to transfer their current *memberships from a contributory to a non-contributory membership class (see Note 5 E. Single Deposit Investment Account)*. However, in 1990, the legislature again made both systems contributory effective July 1, 1990 for the STRS and January 1, 1991 for the VSRS. The State's contribution to each system is based on percentage rates of each member's annual earnable compensation. These rates include a "normal contribution" rate and an "accrued liability contribution" rate and are calculated based upon the liabilities of each system as determined by actuarial valuations. Present law provides that each system's unfunded accrued liability will be amortized over 30 years. This amortization began July 1, 1988 and has 17 years remaining (the liability will be fully amortized in fiscal year 2018).

The Vermont Municipal Employees Retirement System (MERS) (24 VSA 1091) is a cost sharing multiple-employer public employees retirement system that is administered by the State Treasurer and its Board of Trustees. It is designed for school district and other municipal

employees that work on a regular basis and also includes employees of museums and libraries if at least half of that institution's operating expenses are met by municipal funds. An employee of any employer that becomes affiliated with the system may join at that time or at any time thereafter. Any employee hired subsequent to the effective participation date of their employers is required to join the system upon the completion of three years of continuous service.

Prior to July 1, 1987, the State was statutorily responsible for contributions to the MERS's pension accumulation fund. Effective July 1, 1987 and thereafter, all payments to the system's pension accumulation fund are supported entirely by employer (municipal) and employee contributions. Employers make quarterly payments into the pension accumulation fund. These payments are percentages of annual earnable compensation for each membership group and consist of a "normal" and an "accrued liability" portion. The percentage rates of such contributions are fixed on the basis of the liabilities of the system pursuant to actuarial evaluations.

Defined Contribution Retirement Plans

In accordance with Title 3 of the Vermont Statutes Annotated Section 500, the State established an optional defined contribution plan for exempt state employees effective January 1, 1999. The Vermont State Defined Contribution Plan is reported in the Pension Trust Funds.

The actuarial calculations were performed on a cost-neutral basis so that the accrued balances and liabilities were equivalent. 374 exempt employees representing approximately 45% of the eligible employees elected to transfer to the defined contribution plan. Assets totaling \$21 million were transferred from the defined benefit plan to the defined contribution plan on January 4, 1999 as a result of the election. As the attendant decrease in liabilities in the defined benefit plan was equal to \$21 million, there was no material effect on the financial health of the defined benefit system resulting from the transfer. Exempt employees hired after January 1, 1999 have a one-time opportunity to elect either the defined benefit or defined contribution plan.

Employees are required to contribute at the rate equivalent to the contribution rate for Group F members of the VSRS. The State is required to contribute, to each employee's account, at the rate of 7% of the employee's compensation for each payroll period. An employee becomes vested in the plan after completion of 23 months of creditable service as a State employee. For the fiscal year ended June 30, 2001, plan member contributions were \$534,168 and State employer contributions were \$1,310,089. As of June 30, 2001, the Vermont State Defined Contribution Plan's net assets totaled \$27,937,043 and there were 520 participants.

The Legislature granted authority to the Vermont Municipal Employees' Retirement System's Board of Trustees to establish a defined contribution plan that could be offered in lieu of the defined benefit plans currently available under the Municipal Retirement System. The board implemented a defined contribution plan that became available to new members effective July 1, 2000. *The defined contribution plan was offered by municipal employers to one or more groups of their eligible employees.* Once offered by the employer, each eligible employee was required to make an election to participate. Employees participating in one of the municipal defined benefit plans who elected to participate in the defined contribution plan had the July 1, 2001 actuarial value of their accrued defined benefit plan transferred to the defined contribution plan. Employers that did not offer the defined contribution plan to their employees as of December 31, 1999 will have an opportunity to do so no later than December 31 of any subsequent year with the transfer effective the following year's July 1.

Participating municipal employees and their employers are required to contribute at the rate of 5%. Employees become vested in the plan after 12 months of service. For fiscal year ending June 30, 2001, plan participants and the municipalities each contributed \$281,482 while members transferred \$4,098,318 into the defined contribution plan from other pension plans. As

of June 30, 2001, the Municipal Employees Defined Contribution Plan's net assets at fair value totaled \$4,062,146 and there were 294 participants.

Copies of each individual defined benefit retirement plan's annual actuarial valuation report, information describing each defined benefit plan's provisions including vesting requirements, benefits provided, post retirement adjustments, etc., and information relating to the two defined contribution plans is available for inspection at the Office of Retirement and Social Security, 133 State Street, Montpelier, Vermont 05633-6901.

B. Plan Membership

At June 30, 2001, VSRS, STRS, and MERS membership consisted of:

	<u>VSRS</u>	<u>STRS</u>	<u>MERS</u>
Retirees and beneficiaries of deceased retirees currently receiving benefits	3,563	3,812	856
Terminated employees entitled to benefits but not yet receiving them (vested)	1,626	3,149	1,101
Active employees:			
Vested	5,149	7,388	2,125
Non-vested	2,438	2,876	2,689
Total active employees	<u>7,587</u>	<u>10,264</u>	<u>4,814</u>
Total participants	<u>12,776</u>	<u>17,225</u>	<u>6,771</u>

C. Schedules of Employer Contributions and Funding Progress

Below are listed the various actuarial methods and significant assumptions used to determine the annual required contributions.

	<u>VSRS</u>	<u>STRS</u>	<u>MERS</u>
Valuation date	06/30/01	06/30/01	07/01/01
Actuarial cost method	Entry age normal cost with frozen initial liability	Entry age normal cost with frozen initial liability	Projected benefit cost method
Amortization method	Level percentage of payroll	Level percentage of payroll	level percentage of payroll
Remaining amortization period	17 years	17 years	17 years
Asset valuation method	Actuarial value of assets using a five year smoothing technique	Actuarial value of assets using a five year smoothing technique	Actuarial value of assets using a five year smoothing technique
<u>Actuarial assumptions</u>			
Investment rate of return *	8.5%	8.5%	8.0%
Projected salary increases*	4.5%-7.8%	4.9%-8.9%	5.6%
Cost-of-living adjustments	2.25%-4.5%	2%-4%	2%-2.3%
* Includes inflation at 4.6%			
<u>Post Retirement Adjustments</u>			
allowances in payment for at least one year adjusted for cost of living based on CPI but not in excess of percentage indicated	Groups A, C,D - 5%	Group A - 5%	N/A
allowances in payment for at least one year adjusted for cost of living based on one-half of CPI but not in excess of percentage indicated	Group F - 5%	Group C - 5%	Group A - 2% Group B,C - 3%

Schedule Of Employer Contributions

Year Ended 6/30	VSRS		STRS		MERS	
	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed
1992	25,497,000	69.30%	28,595,000	51.12%	2,496,559	100.00%
1993	27,990,000	81.64%	28,820,000	69.02%	2,692,159	100.00%
1994	27,224,000	80.04%	25,805,000	79.75%	3,003,674	100.00%
1995	29,245,000	69.70%	27,452,000	65.86%	3,045,585	100.00%
1996	24,222,000	88.52%	28,712,000	39.98%	3,365,821	100.00%
1997	24,098,000	99.48%	30,722,000	58.85%	3,541,692	100.00%
1998	22,598,000	104.26%	26,927,000	67.14%	3,665,833	100.00%
1999	23,268,000	98.66%	20,724,000	87.24%	4,233,559	100.00%
2000	19,548,817	97.26%	19,936,345	93.23%	4,788,671	100.00%
2001	19,679,398	99.34%	20,970,278	91.29%	4,571,993	100.00%

Information for years prior to 1992 is not available.

Schedule of Funding Progress

(dollar amounts in 1000's)

Actuarial Valuation Date 6/30	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
<u>VSRS</u>						
1992	364,628	609,139	244,511	59.9%	205,627	118.9%
1993	400,084	631,637	231,553	63.3%	210,032	110.2%
1994	428,678	665,427	236,749	64.4%	217,043	109.1%
1995	480,049	679,427	199,378	70.7%	225,089	88.6%
1996	560,659	664,173	103,514	84.4%	226,792	45.6%
1997	639,128	753,883	114,755	84.8%	227,000	50.6%
1998	733,716	804,501	70,785	91.2%	235,956	30.0%
1999	804,970	876,412	71,441	91.9%	238,281	30.0%
2000	895,151	967,064	71,913	92.6%	266,519	27.0%
2001	954,821	1,026,993	72,172	93.0%	278,507	25.9%
<u>STRS</u>						
1992	390,098	509,140	119,042	76.6%	312,347	38.1%
1993	433,327	555,220	121,893	78.1%	324,537	37.6%
1994	473,229	597,851	124,622	79.2%	335,155	37.2%
1995	520,850	648,052	127,202	80.4%	346,975	36.7%
1996	570,776	700,377	129,601	81.5%	355,895	36.4%
1997	717,396	849,179	131,783	84.5%	364,695	36.1%
1998	821,977	955,694	133,717	86.0%	357,899	37.4%
1999	931,056	1,066,400	135,344	87.3%	372,299	36.4%
2000	1,037,466	1,174,087	136,621	88.4%	387,999	35.2%
2001	1,116,846	1,254,341	137,496	89.0%	403,258	34.1%
<u>MERS</u>						
1992	44,379	45,331	952*	97.9%	52,000	1.8%
1993	52,536	51,292	(1,244)	102.4%	55,900	-2.2%
1994	60,646	59,251	(1,394)	102.4%	62,300	-2.2%
1995	70,082	67,039	(3,043)	104.5%	62,200	-4.9%
1996	81,396	73,401	(7,994)	110.9%	68,700	-11.6%
1997	96,197	85,686	(10,510)	112.3%	70,800	-14.8%
1998	113,678	102,005	(11,673)	111.4%	79,056	-14.8%
1999	137,454	114,481	(22,973)	124.6%	70,808	-32.4%
2000	161,900	138,697	(23,203)	116.7%	87,147	-26.6%
2001	177,928	158,786	(19,142)	112.1%	101,873	-18.8%

* Decrease from prior year due to change in actuarial cost method and asset valuation method

Information for years prior to 1992 is not available.

D. State of Vermont's Annual Pension Cost and Net Pension Obligation

The State's annual pension cost and net pension obligation (NPO) to the Vermont State Retirement System and the State Teachers' Retirement System at June 30, 2001 were as follows:

	<u>VSRS</u>	<u>STRS</u>
Annual Required Contribution (ARC)	\$19,679,398	\$20,970,278
Interest on NPO	3,240,863	7,329,216
Adjustment to ARC	(3,344,544)	(8,412,300)
Annual Pension Cost (APC)	\$19,575,717	\$19,887,194
Employer Contribution Made	19,548,598	19,143,827
Increase (Decrease) in NPO	\$27,119	\$743,367
NPO - Beginning of Year	38,127,804	86,226,076
NPO - End of Year	<u>\$38,154,923</u>	<u>\$86,969,443</u>
Percentage of APC contributed	99.86%	96.26%

E. Single Deposit Investment Account

Public Act 41 of the 1981 Session authorized a new Group B non-contributory plan within the State Teachers Retirement System (STRS) and a new Group E non-contributory plan within the Vermont State Retirement System (VSRS). The Single Deposit Investment Account (SDIA), a non-contributory defined contribution plan reported in the Agency Funds, was also established according to the provisions of this Act.

The STRS's members in the Group A contributory plan could elect to either remain in the Group A plan or transfer to the new Group B non-contributory plan. Group A members electing to transfer to the Group B plan had their choice between the following three options:

- (1) have both their accumulated employee contributions and accumulated interest returned to them; or
- (2) have their accumulated contributions returned to them and only their accumulated interest invested by the retirement board in the SDIA; or
- (3) have both their accumulated employee contributions and accumulated interest invested by the retirement board in the SDIA.

The VSRS's members in the Group A contributory plan could elect to either remain in the Group A plan or transfer to the new Group E non-contributory plan. Group A members electing to transfer to the Group B plan had their choice between the following three options:

- (1) have both their accumulated employee contributions and accumulated interest returned to them;
- (2) have their accumulated contributions returned to them and only their accumulated interest invested by the the retirement board in the SDIA; or
- (3) have both their accumulated employee contributions and accumulated interest invested by the retirement board in the SDIA.

No additional contributions could be made to the SDIA beyond those described above. The SDIA funds are not available to the members until they retire or terminate employment. At June 30, 2001, there were 1,667 STRS members and 1,293 VSRS members, with total assets of \$104,718,218. in the Single Deposit Investment Account Fund.

F. Other Post Employment Benefits

The State offers both post employment medical insurance and life insurance benefits in addition to providing pension benefits.

Employees retiring for any reason (disability, early, or normal) including the State Police, are entitled to receive medical coverage for themselves and their dependents over the lifetime of the retiree, with 20% of the cost to be paid by the retiree. If the retiree chooses the joint and survivor pension option, and predeceases his or her spouse, the medical benefits also continue for the spouse, along with the pension. However, generally, the surviving spouse must pay 100% of the cost.

In the case of life insurance, if a state employee retires or terminates due to disability prior to age 60, and proper documentation is approved by the life insurance company, full life insurance coverage will continue at the State's expense up to age 65. At that time, if the retiree has a total of 20 years or more of active and retired (while receiving disability) service, life insurance automatically changes to \$5,000 fully paid and 100% of the premium is paid by the State.

Note 6: FUND BALANCE RESERVES

Fund balance reserves are those portions of fund balance that are not appropriable for expenditure or that are legally segregated for a specific future use. Fund Balances reserved at June 30, 2001 are as follows.

Primary Government Funds	General	Special Revenue	Capital Projects	Trust and Agency
Reserved for:				
Encumbrances.....	\$ 2,058,986	\$ 1,690,406	\$ 3,781,371	\$
Budget Stabilization.....	43,019,120	29,881,575		
Debt Service.....	87,993			
Endowments, Claims & Distributions.....				31,961,572
Employee Retirement Benefits.....				2,408,028,810
Unemployment Compensation Benefits.....				316,719,440
Contingencies.....				228,264
Advances and Notes Receivable.....	18,612,388			
General Fund Surplus.....	4,347,360			
Human Services Caseload Management.....	18,048,618			
Total Primary Government Fund Balances Reserved.....	\$ 86,174,465	\$ 31,571,981	\$ 3,781,371	\$ 2,756,938,086
Discretely Presented Component Units	Other	Vermont State Colleges	University of Vermont	
Reserved for:				
Encumbrances.....	\$ 19,296,552	\$	\$ 2,576,000	
Debt Service.....			6,576,000	
Endowments, Claims & Distributions.....		12,281,300	219,568,000	
Contingencies.....				
Total Component Units Fund Balances Reserved.....	\$ 19,296,552	\$ 12,281,300	\$ 228,720,000	

Note 7: LEASE COMMITMENTS:

Operating Leases

The State is committed under various operating leases covering real property (land and buildings) and equipment. Although lease terms vary, certain leases continue subject to appropriation by the General Assembly. If continuation is reasonably assured, leases requiring appropriation by the General Assembly are considered non-cancelable leases for financial reporting purposes.

The following is a summary of the estimated future minimum rental commitments under operating leases for real property and equipment:

Fiscal Year	Non Cancelable Leases	Cancelable Leases	Primary Government Totals	Vermont State Colleges	University Of Vermont	Vermont Student Assistance Corporation	Total Reporting Entity
2002	\$ 4,416,408	\$ 268,627	\$ 4,685,035	\$1,513,181	\$919,632	\$628,000	\$ 7,745,848
2003	3,693,792		3,693,792	978,741		430,000	5,102,533
2004	2,956,025		2,956,025	736,546		165,000	3,857,571
2005	2,424,211		2,424,211	605,851			3,030,062
2006	1,619,036		1,619,036	491,493			2,110,529
Thereafter	4,113,350		4,113,350	1,054,760			5,168,110
Totals	\$19,222,822	\$ 268,627	\$19,491,449	\$5,380,572	\$919,632	\$1,223,000	\$27,014,653

Capital Leases

The future minimum lease obligation and the net present value of the minimum lease payments as of June 30, 2001 are as follows:

Fiscal Year	Vermont State Colleges	Total Reporting Entity
2002	\$86,939	\$86,939
2003	43,105	43,105
2004	34,338	34,338
2005	34,338	34,338
2006	20,028	20,028
Thereafter	0	0
Total Minimum Lease Payments	\$218,748	\$218,748
Less amount representing interest	(23,226)	(23,226)
Present value of minimum lease payments	<u>\$195,522</u>	<u>\$195,522</u>

Note 8: GENERAL OBLIGATION BONDS AND NOTES PAYABLE:

General obligation bonds and notes payable have been authorized and issued primarily to provide funds for acquisition and construction of capital facilities for higher education, public and mental health, correctional facilities, environmental conservation purposes, maintenance and construction of highways and assistance to municipalities for construction of water and sewage systems and local schools. Also, bonds have been authorized and issued to refund outstanding general obligation bonds.

Once authorized by the legislature, the State Treasurer, with the approval of the Governor, may issue general obligation bonds. Except for zero coupon capital appreciation bonds, the bonds are to be payable in substantially equal or diminishing amounts, the first such payment to be payable not later than five years after the date of the bonds, and the last such payment to be made no later than twenty years after the date of the bonds.

Changes in bond and note principal payable during fiscal year 2001 are summarized as follows:

		General Obligation Bonds
Balance July 1, 2000	\$	527,299,605
Additions:		
Issuances	\$	0
Accretions		<u>3,728,753</u>
Total		3,728,753
Deductions:		
Principal repayments	\$	<u>50,585,000</u>
Total		<u>(50,585,000)</u>
Balance June 30, 2001	\$	<u>480,443,358</u>

During fiscal years 1991, 1992, and 1994, the State issued zero coupon capital appreciation bonds. Zero coupon capital appreciation bonds are bonds issued at a discount to their face value. Instead of interest being paid on a periodic (i.e. semi-annual) basis, an increase in the principal due (accreted amount) is recognized on a regular basis. The total accreted amount at maturity will be the face value of the bonds.

On December 1, 1993, the State issued capital appreciation bonds with a maturity value of \$32,625,000 maturing on August 1 in the years 1999 through 2013. Proceeds from these bonds totaled \$17,987,640. At June 30, 2001, the accreted value of these bonds was \$20,443,958.

On October 30, 1991, capital appreciation bonds with a maturity value of \$20,575,000 were issued. These bonds mature on October 15 in the years 1996 through 2011. Proceeds from these bonds totaled \$9,999,837 and have an accreted value of \$10,159,752 at June 30, 2001.

During fiscal year 1991, capital appreciation bonds were issued with a maturity value of \$48,935,000 and are scheduled to mature on December 1 in the years 1995 through 2010. Proceeds from these bonds totaled \$19,310,002 and have an accreted value of \$28,949,648 at June 30, 2001.

Future general obligation debt service requirements at June 30, 2001 are as follows:

Fiscal Year	Current Interest		Capital Appreciation Bonds		Total
	Bonds Principal	Bonds Interest			
2002	41,155,000	20,663,811	7,380,000		69,198,811
2003	40,650,000	18,552,201	8,020,000		67,222,201
2004	37,230,000	16,634,106	8,230,000		62,094,106
2005	34,065,000	14,883,407	7,400,000		56,348,407
2006	32,285,000	13,195,704	7,410,000		52,890,704
Thereafter	235,505,000	57,052,591	43,560,000		336,117,591
Totals	\$ 420,890,000	\$ 140,981,820	\$ 82,000,000	\$	\$ 643,871,820

At June 30, 2001, there remained \$51,000,868 of authorized but unissued General Obligation Bonds.

* See following page for schedule of General Obligation Bonds outstanding at June 30, 2001.

Note 9: PRIOR YEARS' BOND REFUNDINGS:

During the fiscal years 1992, 1993, 1994, and 1998, the State of Vermont defeased "in-substance" certain general obligation bonds by issuing new bonds and by placing the proceeds of these new bonds in an irrevocable trust. These trust assets will be utilized to make all future debt service payments on the old bonds. Accordingly, these trust assets and the liability for the old (now defeased) bonds are not included in the State's financial statements. As of June 30, 2001, \$58,740,000 worth of defeased bonds remain outstanding.

General Obligation Bonds outstanding at June 30, 2001 are comprised of the following issues:

				Maturity Value of Bonds Outstanding			
Date Issued	Date Series Matures	Interest Rates %	Amount of Original Issue	Sources of Payments			Total
				General Fund	Transportation Fund	Special Fund	
General Obligation Current Interest Bonds:							
12/01/90	02/01/10	6.4 to 6.5	\$ 65,000,000	\$ 3,552,000	\$ 148,000	\$	\$ 3,700,000
10/01/91	08/01/04	4.7 to 6.0	23,040,000	2,375,000	110,000		2,485,000
02/01/92	02/01/12	5.0 to 7.5	49,285,000	3,420,000	1,480,000		4,900,000
08/01/92	08/01/08	3.0 to 5.75	71,280,000	31,310,000	2,095,000		33,405,000
08/01/93	02/01/12	3.0 to 5.0	58,415,000	48,680,000	5,380,000		54,060,000
10/15/93	04/15/08	3.7 to 6.6	85,000,000	49,406,500	2,593,500		52,000,000
11/15/94	01/15/14	5.6 to 7.0	70,000,000	17,207,900	347,100		17,555,000
12/01/95	01/15/15	4.875 to 5.125	60,000,000	44,200,000			44,200,000
11/20/96	01/15/16	5.0 to 5.125	38,000,000	30,000,000			30,000,000
12/12/96	01/15/16	3.7 to 5.6	15,000,000	11,840,000			11,840,000
10/15/97	01/15/17	4.5 to 5.0	28,500,000	22,419,789	1,580,211		24,000,000
12/03/97	01/15/17	3.9 to 5.2	14,990,000	12,620,000			12,620,000
03/15/98	01/15/14	4.25 to 5.0	64,575,000	44,117,888	2,967,112	13,045,000	60,130,000
05/01/98	01/15/17	4.5 to 5.0	7,755,000			6,770,000	6,770,000
11/23/98	01/15/18	4.5 to 4.75	26,630,000	23,238,588	581,412		23,820,000
12/22/98	01/15/04	3.6 to 4.0	7,655,000	4,590,000			4,590,000
11/01/99	02/01/19	4.5 to 6.5	32,000,000	30,315,000			30,315,000
12/16/99	02/01/10	4.55 to 5.05	5,000,000	4,500,000			4,500,000
Total General Obligation Current Interest Bonds.....				\$ 383,792,665	\$ 17,282,335	\$ 19,815,000	\$ 420,890,000
General Obligation Capital Appreciation Bonds:							
12/13/90	12/01/10	N/A	19,310,002	\$ 40,290,000		\$	40,290,000
Maturity Value of Capital Appreciation Bonds			48,935,000				
10/30/91	10/15/11	N/A	9,999,837	14,135,000			14,135,000
Maturity Value of Capital Appreciation Bonds			20,575,000				
12/01/93	08/01/13	N/A	17,987,640	27,575,000			27,575,000
			32,625,000				
Total Maturity Value of Capital Appreciation Bonds Outstanding.....				\$ 82,000,000		\$	82,000,000
Less: Unaccrued Interest				22,446,642			22,446,642
Total General Obligation Capital Appreciation Bonds.....				\$ 59,553,358		\$	59,553,358
Total General Obligation Bonds.....				\$ 443,346,023	\$ 17,282,335	\$ 19,815,000	\$ 480,443,358

Note 10: ACCOUNTING METHOD CHANGES AND FUND EQUITY RESTATEMENTS:

The beginning fund balance in the General Fund has decreased due to the reclassification of Vermont Veterans' Home to a discretely presented component unit.

The beginning fund balance in the Special Revenue Funds has decreased due to the net effect of the reclassification of Adaptive Equipment Loan Fund to an Enterprise Fund and the correction of a prior period error in the Universal Service Fund.

The Enterprise Funds' beginning retained earnings balance has increased due to the reclassification of the Adaptive Equipment Loan Fund and the Municipal Equipment Loan Fund from a Special Fund and an Internal Service Fund, respectively.

The beginning retained earnings in the Internal Service Funds has decreased due to the reclassification of the Municipal Equipment Loan Fund to an Enterprise Fund.

The Agency Funds' beginning Assets and Liabilities have decreased by \$533,735 due to the reclassification of the Vermont Veterans' Home to a discretely presented component unit.

The Component Units - Other retained earnings have increased due to the Vt Economic Development Authority's adoption of Governmental Accounting Standards Board Statement 33, and due to the reclassification of the Vermont Veterans' Home from primary government to a discretely presented component unit.

	Retained Earnings/Fund Balance/Net Assets, July 1	Reclassification of Fund	Change in accounting method	Correction of prior period error	Retained Earnings/Fund Balance/Net Assets, July 1, as restated
General Fund	\$ 169,140,895	\$ (425,877)	\$ -	\$ -	\$ 168,715,018
Special Revenue Funds					
Special Fund	\$ 29,858,125	\$ (329,666)	\$ -	\$ 170,160	\$ 29,698,619
Enterprise Funds					
Adaptive Equipment Loan Fund	\$ 0	\$ 199,573	\$ -	\$ -	\$ 199,573
Municipal Equipment Loan Fund	\$ 0	\$ 501,141	\$ -	\$ -	\$ 501,141
Internal Service Funds					
Municipal Equipment Loan Fund	\$ 501,141	\$ (501,141)	\$ -	\$ -	\$ 0
Component Units - Other					
Vt Economic Development Authority	\$ 26,259,746	\$ -	\$ 2,609,895	\$ -	\$ 28,869,641
Vt Veterans' Home	\$ 0	\$ 555,970	\$ 5,241,301	\$ -	\$ 5,797,271

Note 11: SEGMENT INFORMATION FOR ENTERPRISE FUNDS:

The State reports seven enterprise funds relating to sales of lottery tickets, liquor, Vermont Life Magazine, and related products, industrial homework products, federal surplus property, adaptive equipment loans, and municipal equipment loans. Segment Information for the year ended June 30, 2001 is as follows:

	Vermont Lottery Commission	Liquor Control Fund	Vermont Life Magazine	Other Enterprise Funds	Total Enterprise Funds
Operating Revenues	\$ 81,240,420	\$ 31,713,114	\$ 2,506,525	\$ 332,748	\$ 115,792,807
Depreciation Expense	56,472	233,620	64,668	0	354,760
Operating Income (Loss)	16,392,627	381,044	(80,556)	19,577	16,712,692
Operating Transfers In (Out)	(16,950,084)	(327,000)	0	0	(17,277,084)
Net Income (Loss)	11,777	(444,186)	(51,480)	43,654	(440,235)
Property, Plant & Equipment					
Additions	98,031	197,804	23,751	0	319,586
Deletions	316,867	1,648,099	238,049	0	2,203,015
Net Working Capital	540,303	176,528	51,607	2,941,313	3,709,751
Total Assets	6,315,473	5,244,572	1,194,375	3,690,844	16,445,264
Total Equity	397,531	559,051	81,682	3,556,203	4,594,467

Note 12: CONTINGENT AND LIMITED LIABILITIES:

CONTINGENT LIABILITIES

Vermont Economic Development Authority:

In 1974, the General Assembly created the Vermont Industrial Development Authority, renamed it the Vermont Economic Development Authority ("VEDA" or the "Authority") in 1993; and transferred the functions and the responsibilities of the Vermont Industrial Building Authority, Industrial Park Authority, and the Vermont Industrial Aid Board to it. Each of these original entities was relegated to a particular segment of industrial development. The Authority was established as a body corporate and politic and a public instrumentality of the State. It is governed by a twelve member board which consists of the Secretary of Commerce & Community Development, the State Treasurer, the Commissioner of Agriculture, Food and Markets, and nine public members appointed by the Governor with the advice and consent of the Senate.

The Authority has the power to insure up to \$15 million of mortgages made by lenders for the purchase of land and construction of industrial building facilities in the State; to finance the purchase of machinery and equipment; and to provide working capital. The refinancing of existing mortgages is also possible under the act that created the Authority. As of June 30, 2001, the Authority had mortgage insurance contracts totaling \$4,250,148. The full faith and credit of the State is pledged to support these activities of the Authority.

The Authority is authorized to reimburse lenders participating in the Vermont Financial Access Program for losses incurred on loans that the lender registers with the Authority. The full faith and credit of the State is pledged in an amount equal to the reserve premium payment deposited by the participating lenders for each registered loan, with the aggregate amount of credit that may be pledged not to exceed \$2 million at any one time. The State's contingent liability at June 30, 2001 was \$873,549. The State's net cash contribution since inception is \$259,662.

Under provisions of the statutes governing VEDA, the State has loaned VEDA funds by purchasing its notes. The funds borrowed by VEDA were loaned to borrowers of VEDA in accordance with the purposes defined by the applicable statutes. On June 30, 1997, \$13,500,000 of then outstanding notes were restructured into a 20-year debt obligation to be paid to the State by VEDA at a rate of 4.55%. The repayment is to be made from the principal and interest cash flows of certain Subchapter 3 and Subchapter 5 loans. The debt is subordinate in all respects to the repayment of \$16,800,000 of taxable revenue bonds that were issued to create the leverage reserve fund noted below. As of June 30, 2001 there were \$10,400,000 of these bonds still outstanding. At June 30, 2001, there was \$13,116,783 still outstanding on the note. As part of the June 30, 1997 restructuring, it was agreed that \$5,500,000 in notes would be repaid to the State to the extent possible from the receipts of certain Subchapter 3 and Subchapter 5 loans and other real estate acquired through foreclosure not pledged as security for the taxable revenue bonds. At June 30, 2001, \$3,840,092 remained outstanding on these notes.

The 1999 General Assembly created the Vermont Agricultural Credit Corporation ("VACC") to be operated by the Authority. The VACC assumed all of the assets and liabilities of the Family Farm Debt Stabilization Program ("DSP") and the Agriculture Finance Program (AFP). These programs were previously administered by the Authority. In 1988, the DSP borrowed \$20,000,000 from a group of Vermont banks. A pledge of the full faith and credit of the State secured the repayment of the debt. In 1996, the authority borrowed an additional \$2,000,000 from a single Vermont bank, also secured by the pledge of the full faith and credit of the State. As of June 30, 2001, the Authority had \$2,472,171 outstanding on these obligations. The State Treasurer also holds \$2,500,000 in notes for the VACC that funded loans under the AFP and DSP. The notes were made in 1994 for a term of 20 years and carry an interest rate of 4.55%. As of June 30, 2001, the outstanding amount of these notes was \$1,700,000.

The Authority has established a commercial paper program to fund loans made under the Subchapter 3 and Subchapter 5 programs in an amount aggregating up to \$40 million. The Subchapter 3 program provides loans to local and regional development corporations while the Subchapter 5 program provides direct loans to businesses. The company's commercial paper for these purposes is supported by a direct-pay letter of credit from a bank. The direct-pay letter of credit is secured from various repayment sources, including a \$16 million leverage reserve fund held by a trustee and a debt service reserve pledge from the State of Vermont in an amount not to exceed \$25 million. This debt service pledge is based on a similar structure utilized by both the Vermont Municipal Bond Bank and the Vermont Housing Finance Agency. The amount of commercial paper outstanding under this program at June 30, 2001 was \$19,950,000.

Federal Grants:

The State receives federal grants that are subject to audit and review by federal grantor agencies. This could result in expenditure being disallowed under the terms of the grants. However, it is believed that required reimbursements resulting therefrom would not be material.

LIMITED LIABILITIES

Vermont Municipal Bond Bank:

The State has a limited liability for the Vermont Municipal Bond Bank. The Bank is required to maintain debt service reserve funds. Title 24, V.S.A., Section 4675 requires the State to provide annual appropriations to restore the reserve funds to the required minimum balance, if necessary. It has never been necessary for the State to appropriate money to the reserve fund and it is not anticipated that it will need to make an appropriation in the future.

Vermont Housing Finance Agency:

The State has a limited liability for the Vermont Housing Finance Agency. The Agency may create one or more debt service reserve funds in accordance with 10 V.S.A. Section 632. Annually, the Agency must report to the State the amount necessary to bring reserve fund balances up to the minimum required by statute. This sum so certified may be appropriated by the State. It has not been necessary for the State to appropriate money to maintain the reserve fund and it is not anticipated that any appropriation will have to be made.

Note 13: LITIGATION

The State, its agencies, officials and employees are defendants in numerous lawsuits involving funding for social welfare programs, civil rights actions, public education funding, breach of contract and negligence. The Attorney General is unable to predict the ultimate outcome of the majority of these suits, some of which seek *recovery of monetary damages of unspecified amounts*. However, based on information provided by the Attorney General, it is believed that any ultimate liability to the State resulting from these suits, not covered by various insurance policies, would not materially affect the State's overall financial condition.

Note 14: BUDGET STABILIZATION RESERVES

The 1993 Legislature amended action taken by the 1987 Legislature by repealing legislation creating the Budget Stabilization Trust Fund and created separate Budget Stabilization Reserves within both the General Fund and Transportation Fund. The Education Fund Budget Stabilization Reserve was created by the 1999 Legislature. These reserves were created to reduce the effects of annual variations in state revenues upon these funds by reserving certain surpluses of revenues.

The reserves balances will consist of any unreserved undesignated surplus at the close of the fiscal year, provided the balance in each fund's Budget Stabilization Reserve shall not exceed an amount equal to five percent of its appropriations for the prior fiscal year plus any additional amounts as may be authorized by the general assembly. Use of the reserve is limited to offsetting the respective fund's deficit at the close of a fiscal year. Pursuant to action taken by the Legislature, the Transportation Fund's Budget Stabilization Reserve at June 30, 2001 was \$8,882,450, the General Fund's Budget Stabilization Reserve was \$43,019,320 at June 30, 2001, and the Education Fund's Budget Stabilization Reserve at June 30, 2001 was \$20,999,125.

Note 15: JOINT VENTURE

The State of Vermont has entered into a Tri-State Lotto Compact with the States of New Hampshire and Maine for the purpose of operating a tri-state lottery. This lottery does not replace Vermont's individual lottery games

but is run in addition to the existing games. The Compact provided for the creation of a Tri-State Lottery Commission which is an interstate body, both corporate and politic, serving as a common agency of the party states and representing them both collectively and individually in the exercise of its powers and duties. The commission is composed of one member from each of the party states. Each state's lottery commission appoints one of its members to this position. The three-member commission annually elects a chairperson from among its members. The commission is empowered to operate and administer Tri-State Lotto and to promulgate rules and regulations governing the establishment and operation of the lotto. Tri-State Lotto tickets are sold in each of the party states and processed in a central location as determined by the commission. Fifty percent of the gross sales from each state are aggregated in a common prize pool, and operating costs are charged proportionally to each of the party states. The remaining revenues generated within each state remain in that particular state.

At June 24, 2001, the commission had total assets of \$246,453,152 and total liabilities of \$225,942,261. For the fiscal year ended June 24, 2001, the commission has operating revenues of \$80,673,221, interest income of \$747,425, commissions, fees, and bonus expenses of \$9,796,671, prize awards of \$40,168,307, and other operating expenses of \$4,627,536. During the fiscal year, the commission made operating transfers to member states of \$26,872,132, which includes \$1,994,973 transferred to Vermont.

Note 16: RISK MANAGEMENT

A. Worker's Compensation and Liability Risk Management

The Risk Management Division of the Department of Buildings and General Services administers all risk management for State government except for the Health and Life Insurance plans listed below. It is the policy of the State to minimize purchases of commercial insurance for most of the risks to which the State is exposed. The Risk Management Division sets aside assets and pays claims utilizing the following three Internal Service Funds:

Worker's Compensation Self Insurance Fund
State Liability Self Insurance Fund
Risk Management- All Other Fund (used for the purchase of commercial insurance)

The Worker's Compensation Fund is required by state statute to insure all state governmental and quasi-governmental entity's employees upon request. The State has unlimited exposure to liability and has not purchased any stop-loss insurance to limit this exposure. The review of this liability including an actuarial evaluation of incurred but not reported claims (IBNR) is conducted annually. Claims, all of which are processed by Risk Management Division personnel, are audited annually by outside claims adjusters to ensure that claims' statistical information used to calculate the State's Worker's Compensation exposure is reliable. The contribution required to fully fund losses is calculated by an outside actuary. Allocation to each participating entity who has covered employees is done by the Risk Management Division, utilizing exposure and departmental experience factors.

The State Liability Insurance Fund covers both general, employment practices liability, discrimination, and auto liability risk. The coverage is comparable to standard private commercial policies. It offers coverage to the same group of participants as those covered by the Worker's Compensation plan above. Its exposure to risk in Vermont is subject to the Doctrine of Sovereign Immunity and is governed by Title 12 VSA 5601, etc while its exposure outside of Vermont is potentially unlimited. It is self-insured for the first \$250,000 of exposure and has purchased excess commercial insurance to cover the additional per occurrence exposure in amounts of up to \$1,000,000 in Vermont and \$10,000,000 outside of Vermont. A Third Party Administrator (TPA) administers all claims other than minor property damage claims which are administered by the division. The Risk Management Division calculates the contribution necessary to fund the coverage utilizing both an exposure rating basis and an experience rating factor for each participating entity. The liability loss projections and the claims processing data are audited annually by outside claims adjusters.

The Risk Management-All Other Fund provides insurance coverage through purchased commercial policies for risks not covered in the above funds or which are self assumed. This coverage provides insurance for state-owned real property, bonds for various categories of employees, robbery and burglary coverage for the Federal food stamp program, errors and omissions coverage for judges, and various other miscellaneous coverage. The State's liability exposure is limited to the amount of the various deductibles associated with the respective coverage. Premium charges from the various insurers plus a 5% surcharge to cover state administration costs are either assessed directly against the entity specifically requiring the coverage or apportioned among those entities receiving the benefits of the coverage. Entities eligible for coverage are the same as those listed above for the other funds.

B. Health Care and Life Insurance Plans

The Employee Benefits and Wellness (Benefits) Division of the Department of Personnel maintains medical, dental, life insurance, and employee assistance program plans for the benefit of current employees, retirees, ex-employees, legislators, and employees of outside groups which have been declared eligible to participate by statute.

The medical plan offerings in FY2001 included two Health Maintenance Organization (HMO) plans: the Mohawk Valley Plan (MVP) and the TVHP Blue Care. A self-funded indemnity fee-for-service (Choice Plus) plan is also offered. It is administered by Blue Cross/Blue Shield of Vermont. Participating employees share the premium cost of the plans with the State. The employees participating in all of these plans include all of the categories listed above.

The HMO plans are purchased fully insured plans in which the HMO's calculate the premiums based on community rates. The coverage available to the participants is basically unlimited but is administered under a managed care arrangement. The State bears no insurance risk for catastrophic occurrences or claims in excess of the capitated premium paid.

The Choice Plus plan provides medical benefits coverage with high dollar limitations. To limit the State's large claims exposure, the State has purchased stop-loss insurance. Premium amounts, shared between the employees and the State, are calculated by Benefits Division analyst and then reviewed by an outside actuary. The State's liability for "incurred but not yet reported" (IBNR) claims is calculated by an outside actuary and is based on the State's previous claims experience.

The self-funded State of Vermont Employee Dental Assistance Plan, which is administered by Northeast Delta Dental, provides up to \$1,000 regular dental care annually and up to \$1,750 lifetime for orthodontic care for each participant. These plan caps effectively limit the State's exposure to catastrophic loss so no stop-loss insurance has been purchased. The Benefits Division analyst, in consultation with the dental actuary of the plan's administrator, sets the premium rates. Participants include all mentioned above except for retirees and legislators.

The State of Vermont Employee Life Insurance Program consists of a Regular Life benefit and an Accidental Death and Dismemberment (AD&D) benefit, each of which provides coverage equal to twice a participant's base salary rounded down to the nearest \$100. Retirees who work for the State for at least twenty years and who have insurance at the time of retirement receive a retiree life benefit of \$5,000 with no AD&D coverage.

Both the Regular Life and AD&D are fully insured products where the carrier retains liability for all claims. Benefits Division personnel calculate the premium rates charged for both of these programs. Active employee's premium costs are shared between the State and the employees. Retired employees' premium costs are fully paid by the State. Of the above groups, only current employees, retired employees, and current members of outside groups are eligible to participate.

A flexible spending account is available to active employees only. This account allows pre-tax salary deduction to be used to pay for eligible medical and dependent care expenses.

An employee assistance program (EAP) was implemented in fiscal year 1999. This program assists employees and family members in addressing problems that impact on lives including family, psychological, stress, financial, drugs, alcoholism, and other issues. Only current state employees and their families may participate in this program. ETP, Inc manages this program and is paid a fee based on the number of employees who work for the State. It is expected to provide, among other things, up to five counseling sessions per case. No claim's costs, or other liabilities are incurred under this plan by the State.

Following is a table displaying three years' changes in the respective funds' claims liability amounts.

<u>Fund and Fiscal Year</u>	<u>Liability at Beginning of the Fiscal Year</u>	<u>Current FY Claims and Changes in Estimates</u>	<u>Current FY Claims Payments</u>	<u>Balance of Liability at End of Fiscal Year</u>
Workers' Compensation Fund				
FY 1999	10,480,859	2,875,277	4,028,641	9,327,495
FY 2000	9,327,495	5,728,010	4,848,810	10,206,695
FY 2001	10,206,695	7,470,814	5,686,611	11,990,898
State Liability Insurance Fund				
FY 1999	4,556,344	1,929,686	1,253,934	5,232,096
FY 2000	5,232,096	1,008,171	1,132,410	5,107,857
FY 2001	5,107,857	3,020,229	1,395,800	6,732,286
Choice Plus - Medical Insurance Fund				
FY 1999	3,851,792	23,225,831	22,251,347	4,826,276
FY 2000	4,826,276	27,388,115	26,697,579	5,516,812
FY 2001	5,516,812	31,122,193	30,178,494	6,460,511
Dental Insurance Fund				
FY 1999	256,401	3,243,116	3,269,947	229,570
FY 2000	229,570	3,483,951	3,457,767	255,754
FY 2001	255,754	3,717,131	3,646,996	325,889
Life Insurance Fund				
FY 1999	0	0	0	0
FY 2000	0	0	0	0
FY 2001	0	0	0	0
Employee Assistance Program				
FY 1999	0	0	0	0
FY 2000	0	0	0	0
FY 2001	0	0	0	0

Note 17: BUDGET TO GAAP RECONCILIATION:

Since the presentation of financial data on a budgetary basis differs from that presented under generally accepted accounting principles, a schedule reconciling the fund balance on a budgetary basis to the GAAP fund balance at June 30, 2001 is presented below.

	General Fund	All Special Revenue Funds
Fund Balance - Budgetary basis	\$ 147,434,202	\$ 108,055,352
Basis of Accounting Differences:		
Loans and Notes Receivable	5,285,293	101,748,962
Taxes Receivable	97,805,228	8,745,769
Advances To Other Funds	323,700	
Other Receivables	3,123,274	10,152,301
Due From Other Funds	2,285,980	2,666,496
Due From Component Units	264,536	3,921,240
Due From Federal Government		103,036,279
Accounts Payable	(30,818,502)	(109,563,568)
Accrued Liabilities	(7,348,811)	(9,089,987)
Tax Refunds	(72,105,524)	
Due To Other Funds	(12,688)	(61,287)
Due To Other Governments		(409,661)
Due To Component Units	(1,085,254)	(900,000)
Retainage Payable	(427,356)	(2,757,713)
Deferred Revenue	27,516,471	(103,037,582)
Escrow Accounts		2,131,754
Blended Component Units - Cash		10,330,703
Cash on Hand	517,185	1,284,421
Total Fund Balance - GAAP Basis	\$ <u>172,757,734</u>	\$ <u>126,253,479</u>

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Note 18: INTERFUND BALANCES

A. Interfund assets and liabilities for each individual fund within the Primary Government and within the Component Units at June 30, 2001 were:

Fund Type/Fund	Due From Other Funds	Due To Other Funds	Interfund Loans Receivable	Interfund Loans Payable
General Fund	\$ 2,285,980	\$ 12,688	\$ 9,524,497	\$
Special Revenue Funds				
Transportation Fund				
Education Fund	2,605,209			
Special Fund	61,287			
Federal Revenue Fund		61,287		
Enterprise Funds				
Industrial Homework Office Fund				
Vermont Lottery Fund		42,243		
Vermont Life Fund				238,700
Liquor Control Fund		173,331		365,103
Federal Surplus Fund				126,213
Internal Service Funds				
Correctional Industries Fund				1,096,978
Communication & Information Technology Fund				1,283,117
Surplus Property Fund				135,554
Copy Center Fund				1,107,252
Single Audit Revolving Fund				26,863
Postage Fund				651,848
State Liability Insurance Fund		10,053		
Workers' Compensation Fund	10,053			
Risk Management Fund				418,738
Property Management Fund				2,087,965
Equipment Revolving Fund		3,811		1,694,272
GOVnet Fund				53,806
Expendable Trust Funds				
Unemployment Compensation Trust Fund		33,040		
Unemployment Compensation Contingency Fund	33,040			
Abandoned Property Fund	12,688			
Agency Funds				
Retirement Contributions & Withholdings Fund				9,690
Federal Income Tax Withholdings Fund				51,806
Social Security Contributions & Withholdings Fund				80,263
Employee Insurance Contributions & Withholdings Fund				13,725
Employee Deferred Compensation Withholdings Fund				1,264
Unidentified Receipts Fund		4,671,804		
Other Contributions & Withholdings Fund				81,340
Total Primary Government Funds	\$ 5,008,257	\$ 5,008,257	\$ 9,524,497	\$ 9,524,497
Other Component Units				
Vermont Economic Development Authority				
Vermont Housing and Conservation Board				
Vermont Center For Geographic Information				
Vermont Veterans Home				
Vermont State Colleges				
Total Reporting Entity	\$ 5,008,257	\$ 5,008,257	\$ 9,524,497	\$ 9,524,497

<u>Advances To Other Funds</u>	<u>Advances From Other Funds</u>	<u>Due From Component Units/Primary Government</u>	<u>Due To Component Units/Primary Government</u>	<u>Advances To Component Units/Primary Government</u>	<u>Advances From Component Units/Primary Government</u>
\$ 323,700	\$	\$ 849,811	\$ 1,229,954	\$ 1,915,711	\$
		1,372,790			
			900,000		
		2,548,450			
	1,700				
	300,000				
	1,200				
	5,700				
	15,100				

\$ 323,700	\$ 323,700	\$ 4,771,051	\$ 2,129,954	\$ 1,915,711	\$ 0
			4,185,776		1,915,711
		900,000	585,275		
		1,229,954			
<u>\$ 323,700</u>	<u>\$ 323,700</u>	<u>\$ 6,901,005</u>	<u>\$ 6,901,005</u>	<u>\$ 1,915,711</u>	<u>\$ 1,915,711</u>

B. Operating Transfers between the individual funds of the primary government for the fiscal year ending June 30, 2001 were:

<u>Fund Type/Fund</u>	<u>Transfers From Other Funds</u>	<u>Transfers To Other Funds</u>
General Fund	\$ 20,855,048	\$ 300,711,299
Special Revenue Funds		
Transportation Fund	8,933,822	10,365,254
Education Fund	263,158,095	5,880,000
Fish & Wildlife Fund	1,170,407	
Special Fund	25,754,410	15,629,673
Federal Revenue Fund	2,008,401	8,533,969
Capital Projects Funds		
General Bond Fund	35,778,442	1,512,767
Transportation Bond Fund	8,308	
Enterprise Funds		
Vermont Lottery Fund	22,162	16,950,084
Liquor Control Fund		327,000
Internal Service Funds		
Postage Fund	169,571	
Property Management Fund		2,388,348
Highway Garage Fund	4,450,000	
Non Expendable Trust Funds		
Higher Education Endowment Fund	1,000,000	
Expendable Trust Funds		
Unemployment Compensation Trust Fund	306,777	354,928
Unemployment Contingent Trust Fund	354,928	306,777
Abandoned Property Fund	12,688	1,768,830
Tobacco Litigation Fund		3,214,230
Tobacco Trust Fund	3,964,230	
All Other Expendable Trust Funds		4,130
Total	\$ 367,947,289	\$ 367,947,289

C. Operating Transfers between the individual funds of the primary government and the component unit funds for the fiscal year ending June 30, 2001 were:

Fund Type/Fund	Transfers From Component Units/Primary Government	Transfers To Component Units/Primary Government
Primary Government		
General Fund	\$	\$ 74,310,716
Special Fund		1,152,016
General Bond Fund		3,801,014
Higher Education Endowment Fund		212,570
Component Units		
Vermont Housing Conservation Board	4,500,000	
Vermont Economic Development Authority	307,336	
Vermont Center for Geographic Information	252,016	
Vermont Student Assistance Corporation	14,912,000	
Vermont Sustainable Jobs Fund	264,710	
Vermont Veterans Home	1,085,254	
Vermont State Colleges	21,037,000	
University of Vermont	37,118,000	
Total	\$ 79,476,316	\$ 79,476,316

Note 19: SEGMENT INFORMATION FOR COMPONENT UNITS:

The State consolidates the following discretely presented component units into its comprehensive annual financial report. Segment information for these component units is presented below. Other discretely presented component units contained in the State's comprehensive annual financial report include the University of Vermont and the Vermont State College system. They are not presented below as they utilize a different method of accounting. Their financial statements can be found in the combined section of this CAFR.

	Vermont Student Assistance Corporation	Vermont Economic Development Authority	Vermont Housing & Conservation Board
CONDENSED BALANCE SHEET			
Assets			
Investments.....	\$ 24,792,000	\$ 26,366,712	23,548,465
Advances/Loans Receivable.....	869,425,000	48,833,837	41,158,632
Fixed Assets (Net).....	3,217,000	99,622	134,200
Other Assets.....	307,534,000	17,427,915	29,587,958
Total Assets.....	\$ 1,204,968,000	\$ 92,728,086	\$ 94,429,255
Liabilities			
Current Portion - Debt Obligation.....	\$ 25,380,000	\$ 1,327,998	\$ -
Due to Other Governments.....	20,265,000	4,185,776	585,275
Deferred Revenue.....	-	-	40,888,262
Advances/Bonds and Notes Payable.....	1,072,100,000	55,633,676	23,812,073
Other Liabilities.....	18,545,000	1,032,059	9,425,383
Total Liabilities.....	1,136,290,000	62,179,509	74,710,993
Fund Equity			
Reserved/Restricted.....	67,577,000	-	19,430,752
Unreserved /Retained Earnings.....	1,101,000	30,548,577	287,510
Total Fund Equity.....	68,678,000	30,548,577	19,718,262
Total Liabilities and Fund Equity.....	\$ 1,204,968,000	\$ 92,728,086	\$ 94,429,255

CONDENSED STATEMENT OF REVENUES, EXPENDITURES (EXPENSES), AND CHANGES IN FUND BALANCE (RETAINED EARNINGS)

Operating Revenues			
Interest Income.....	\$ 77,899,000	\$ 5,844,140	\$ 788,034
Federal Grants.....	2,196,000	-	6,132,971
Other Revenues (Losses).....	13,557,000	514,472	13,186,961
Total Revenues (Operating).....	93,652,000	6,358,612	20,107,966
Operating Expenditures/Expenses			
Depreciation/ Amortization.....	2,545,000	57,202	-
Interest Expense.....	54,127,000	2,647,214	-
Grants and Loans.....	16,634,000	-	18,084,857
Other Expenditures /Expenses.....	23,225,000	2,324,988	3,941,972
Total Expenditures/ Expenses.....	96,531,000	5,029,404	22,026,829
Operating Income (Loss).....	(2,879,000)	1,329,208	(1,918,863)
Non-Operating Revenues (Expenses)			
Transfers From (To) Primary Government....	14,912,000	307,336	4,500,000
Sale of Bonds.....	-	-	-
Payment To Escrow Agent.....	-	-	-
Other Non-operating Revenues (Expenses)...	-	42,392	-
Net Income.....	12,033,000	1,678,936	2,581,137
Extraordinary Item.....			
Retained Earnings/Fund Balance-			
July 1, as restated.....	56,645,000	28,869,641	17,002,925
June 30.....	\$ 68,678,000	\$ 30,548,577	\$ 19,584,062

Vermont Sustainable Jobs Fund	Vermont Municipal Bond Bank	Vermont Educational and Health Buildings Financing Agency	Vermont Center For Geographic Information	Vermont Veteran's Home
\$ -	\$ 45,166,833	\$ 1,118,012	\$ -	\$ 505,897
-	357,253,873	-	-	-
3,173	-	-	26,782	5,222,328
267,440	11,881,033	59,336	141,129	2,459,092
<u>\$ 270,613</u>	<u>\$ 414,301,739</u>	<u>\$ 1,177,348</u>	<u>\$ 167,911</u>	<u>\$ 8,187,317</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
137,953	-	-	53,052	335,828
-	397,636,037	-	-	-
15,886	3,588,738	4,914	30,358	1,093,855
<u>153,839</u>	<u>401,224,775</u>	<u>4,914</u>	<u>83,410</u>	<u>1,429,683</u>
-	-	-	-	6,752,145
116,774	13,076,964	1,172,434	84,501	5,489
<u>116,774</u>	<u>13,076,964</u>	<u>1,172,434</u>	<u>84,501</u>	<u>6,757,634</u>
<u>\$ 270,613</u>	<u>\$ 414,301,739</u>	<u>\$ 1,177,348</u>	<u>\$ 167,911</u>	<u>\$ 8,187,317</u>
\$ 13,488	\$ 19,994,941	\$ 66,316	\$ 7,151	\$ 236
-	-	-	-	-
138,145	6,547,904	92,453	250,163	9,751,506
<u>151,633</u>	<u>26,542,845</u>	<u>158,769</u>	<u>257,314</u>	<u>9,751,742</u>
-	224,982	-	16,548	473,626
-	21,080,731	-	-	-
262,153	-	-	-	-
154,487	1,396,434	124,562	448,343	9,846,033
<u>416,640</u>	<u>22,702,147</u>	<u>124,562</u>	<u>464,891</u>	<u>10,319,659</u>
<u>(265,007)</u>	<u>3,840,698</u>	<u>34,207</u>	<u>(207,577)</u>	<u>(567,917)</u>
264,710	-	-	252,016	1,085,254
-	-	-	-	-
-	-	-	-	-
<u>(297)</u>	<u>3,840,698</u>	<u>34,207</u>	<u>44,439</u>	<u>517,337</u>
117,071	9,236,266	1,138,227	40,062	5,797,271
<u>\$ 116,774</u>	<u>\$ 13,076,964</u>	<u>\$ 1,172,434</u>	<u>\$ 84,501</u>	<u>\$ 6,314,608</u>

Note 20: SUBSEQUENT EVENTS:


Debt Issuance

The State issued \$46,000,000 of 2001 Series A General Obligation Bonds, dated October 15, 2001. The State expects to use approximately \$14.2 million of the proceeds to restore cash in the treasury for earlier expenditures on capital projects and the remaining amount will be used for future capital projects. Interest rates on these bonds vary from 3.25% to 4.75%. Payments to the bondholders are scheduled to commence August 1, 2002 and terminate August 1, 2020.

The State also issued \$5,000,000 of 2001 Series B General Obligation Bonds, dated December 27, 2001. Approximately \$3.78 million of the proceeds will be used to restore cash previously expended for authorized capital projects and the remaining amount will be used for future capital projects. Interest rates on these bonds vary from 4.00% to 4.375%. Payments to the bondholders are scheduled to commence August 1, 2002 and terminate August 1, 2011.



**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS**



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Vermont



GENERAL FUND

**STATE OF VERMONT
GENERAL FUND
COMPARATIVE BALANCE SHEET
June 30, 2001 and 2000**

	Totals	
	June 30, 2001	June 30, 2000
ASSETS:		
Cash and Cash Equivalents.....	\$ 156,133,559	\$ 134,489,904
Taxes Receivable.....	97,805,228	89,951,130
Other Accounts Receivable.....	3,123,274	815,969
Due from Other Funds	2,285,980	679,865
Interfund Receivable.....	9,524,497	8,820,307
Due from Component Units.....	849,811	1,137,741
Advances to Other Funds.....	323,700	323,700
Advances to Component Units.....	1,915,711	1,875,764
Notes Receivable.....	18,612,338	19,919,852
Total Assets.....	\$ 290,574,098	\$ 258,014,232
LIABILITIES:		
Accounts Payable.....	\$ 30,818,502	\$ 39,679,757
Accrued Liabilities.....	7,348,811	5,328,451
Retainage Payable.....	427,356	30,580
Due to Other Funds.....	12,688	7,401
Due to Component Units.....	1,229,954	-
Deferred Revenue.....	5,873,529	6,052,506
Tax Refunds Payable.....	72,105,524	37,774,642
Total Liabilities.....	\$ 117,816,364	\$ 88,873,337
FUND BALANCE:		
Reserved for:		
Encumbrances.....	\$ 2,058,986	\$ 239,414
Budget Stabilization Reserve.....	43,019,120	41,366,301
Debt Service.....	87,993	183,390
Advances and Notes Receivable.....	18,612,388	15,734,563
General Fund Surplus.....	4,347,360	40,577,360
Human Caseload Management.....	18,048,618	16,048,618
Unreserved - Undesignated.....	86,583,269	54,991,249
Total Fund Balance.....	\$ 172,757,734	\$ 169,140,895
Total Liabilities and Fund Balance.....	\$ 290,574,098	\$ 258,014,232

**STATE OF VERMONT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 2001 and 2000**

	<u>Total</u>	
	<u>2001</u>	<u>2000</u>
REVENUES:		
Taxes:		
Bank Franchise.....	\$ 3,797,995	\$ 3,625,113
Beverage.....	4,833,915	4,831,445
Cigarette.....	-	11,086,358
Electrical Energy.....	3,117,905	3,494,276
Income-Corporate.....	40,758,387	41,041,649
Income-Personal.....	458,054,886	432,504,512
Inheritance.....	12,714,006	13,550,487
Insurance Companies.....	32,364,599	30,250,712
Liquor.....	10,223,167	9,646,435
Meals and Rooms.....	80,318,722	75,633,561
Real Property Transfer.....	7,125,547	6,933,970
Sales and Use.....	215,153,183	216,654,031
Telephone Companies.....	9,997,033	10,555,030
Other Taxes.....	2,245,276	2,773,247
Total Taxes.....	\$ 880,704,623	\$ 862,580,826
Business Licenses.....	2,546,877	2,647,950
Fees.....	9,264,888	9,437,118
Sales of Services.....	1,290,660	1,185,273
Fines and Forfeits.....	1,891,354	2,550,807
Interest.....	7,969,640	6,927,924
Special Assessments.....	367,043	412,500
Other Revenues.....	621,829	721,848
Total Revenues.....	\$ 904,656,914	\$ 886,464,246
EXPENDITURES:		
General Government.....	\$ 53,499,488	\$ 43,334,499
Protection to Persons and Property.....	54,014,291	47,366,471
Human Services.....	297,951,849	298,130,444
Employment and Training.....	434,471	415,376
General Education.....	42,593,438	51,239,312
Natural Resources.....	14,977,568	12,515,711
Commerce and Community Development.....	14,776,725	14,352,633
Debt Service.....	68,376,276	68,676,128
Total Expenditures.....	\$ 546,624,106	\$ 536,030,574
Excess of Revenues Over (Under) Expenditures.....	\$ 358,032,808	\$ 350,433,672
Other Financing Sources (Uses):		
Transfers From Transportation Fund.....	\$ 698,187	\$ -
Transfers From Other Special Revenue Funds.....	18,056,411	20,501,807
Transfers From Component Units.....	-	-
Other Operating Transfers In.....	2,100,450	879,135
Transfers to Transportation Fund.....	(6,150,000)	-
Transfers to Other Special Revenue Funds.....	(256,915,889)	(260,722,226)
Transfers to Component Units.....	(74,310,716)	(72,862,885)
Other Operating Transfers Out.....	(37,645,410)	(6,075,000)
Other Sources.....	176,875	1,092,342
Total Other Financing Sources (Uses).....	\$ (353,990,092)	\$ (317,186,827)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses.....	\$ 4,042,716	\$ 33,246,845
Fund Balance, July 1, Restated.....	168,715,018	135,894,050
Fund Balance, June 30.....	\$ 172,757,734	\$ 169,140,895

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SPECIAL REVENUE FUNDS

STATE OF VERMONT
COMBINING BALANCE SHEET
ALL SPECIAL REVENUE FUNDS
June 30, 2001
(With comparative totals for June 30, 2000)

	Transportation	Education	Fish and Wildlife	Special	Federal Revenue	Totals	
						June 30, 2001	June 30, 2000
ASSETS:							
Cash and Cash Equivalents.....	\$ 16,804,188	\$ 36,573,337	\$ 5,246,885	\$ 52,754,958	\$ 6,771,457	\$ 118,150,825	\$ 120,329,684
Accounts Receivable.....	545,530	-	408,302	2,908,098	4,093,526	7,955,456	3,951,894
Taxes Receivable.....	6,155,736	5,645,032	81,779	2,508,254	-	14,390,801	12,143,708
Accrued Interest Receivable.....	-	-	-	1,027	-	1,027	128
Loans Receivable.....	957,779	-	-	190,000	94,956,151	96,103,930	84,031,021
Other Receivables.....	-	-	-	2,195,818	-	2,195,818	1,090,172
Intergovernmental Receivable-Federal							
Government.....	15,003,023	-	231,986	-	87,801,270	103,036,279	116,148,163
Due From Other Funds.....	-	2,605,209	-	61,287	-	2,666,496	553,869
Due From Component Units.....	1,372,790	-	-	-	2,548,450	3,921,240	2,879,060
Restricted Cash.....	2,131,754	-	-	1,519,651	-	3,651,405	2,105,013
Total Assets.....	\$ 42,970,800	\$ 44,823,578	\$ 5,968,952	\$ 62,139,093	\$ 196,170,854	\$ 352,073,277	\$ 343,232,712
LIABILITIES AND FUND BALANCE							
LIABILITIES:							
Accounts Payable.....	\$ 20,846,691	\$ 9,446,125	\$ 614,046	\$ 14,539,212	\$ 64,117,494	\$ 109,563,568	\$ 117,405,253
Accrued Liabilities.....	3,613,475	-	312,913	1,502,986	3,660,613	9,089,987	8,874,093
Retainage Payable.....	2,719,307	-	-	38,406	-	2,757,713	2,545,988
Due to Other Funds.....	-	-	-	-	61,287	61,287	11,540
Due to Component Units.....	-	-	-	900,000	-	900,000	0
Intergovernmental Payable-Other							
Governments.....	409,661	-	-	-	-	409,661	360,838
Deferred Revenue.....	-	-	-	281,588	102,755,994	103,037,582	91,166,413
Total Liabilities.....	\$ 27,589,134	\$ 9,446,125	\$ 926,959	\$ 17,262,192	\$ 170,595,388	\$ 225,819,798	\$ 220,364,125
FUND BALANCE:							
Reserved for:							
Encumbrances.....	\$ -	\$ -	\$ 133,810	\$ 1,556,596	\$ -	\$ 1,690,406	\$ 686,460
Budget Stabilization.....	8,882,450	20,999,125	-	-	-	29,881,575	27,613,148
Unreserved:							
Designated for Specific Purposes.....	-	-	-	-	2,116,954	2,116,954	276,741
Undesignated.....	6,499,216	14,378,328	4,908,183	43,320,305	23,458,512	92,564,544	94,292,238
Total Fund Balance.....	\$ 15,381,666	\$ 35,377,453	\$ 5,041,993	\$ 44,876,901	\$ 25,575,466	\$ 126,253,479	\$ 122,868,587
Total Liabilities and Fund Balance.....	\$ 42,970,800	\$ 44,823,578	\$ 5,968,952	\$ 62,139,093	\$ 196,170,854	\$ 352,073,277	\$ 343,232,712

STATE OF VERMONT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-ALL SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(With comparative totals for the fiscal year ended June 30, 2000)

	Transportation	Education	Fish and Wildlife	Special	Federal	Totals	
						2001	2000
REVENUES:							
Taxes:							
Motor Fuel Tax.....	\$ 53,392,374	\$ 10,663,815	\$ 1,003,549	\$ 1,654,976	\$ -	\$ 66,714,714	\$ 63,538,369
Purchase and Use Tax.....	60,776,420	12,184,468	-	-	-	72,960,888	69,543,920
Statewide Property Tax.....	-	407,390,656	-	-	-	407,390,656	395,756,613
Corporate Income Tax.....	-	9,560,609	-	-	-	9,560,609	9,627,055
Meals and Rooms.....	-	18,221,366	-	-	-	18,221,366	16,958,389
Other Taxes.....	20,273,282	34,955,860	-	79,239,860	-	134,469,002	111,507,493
Earnings of Departments:							
Fees.....	2,525,015	2,568,200	-	21,835,064	-	26,928,279	25,005,177
Rents and Leases.....	-	-	-	182,595	-	182,595	205,403
Sales of Service.....	87,052	-	-	9,483,935	-	9,570,987	16,091,279
Federal Grants.....	139,821,489	-	3,605,283	-	705,663,936	849,190,708	847,344,627
Fines, Forfeits and Penalties.....	7,558,433	-	-	-	-	7,558,433	7,938,927
Interest.....	131,422	218,680	222,241	3,596,703	674,562	4,843,608	4,620,814
Licenses:							
Business.....	276,120	-	-	16,897,983	-	17,174,103	13,000,076
Non-Business.....	42,970,856	-	6,159,957	1,185,374	-	50,316,187	51,836,110
Special Assessments.....	-	-	-	12,430,172	-	12,430,172	8,917,429
Other.....	1,949,271	-	350,676	38,150,109	1,981,103	42,431,159	38,448,369
Total Revenues.....	\$ 329,881,734	\$ 485,763,654	\$ 11,341,706	\$ 184,656,771	\$ 708,319,601	\$ 1,729,943,466	\$ 1,680,340,050
EXPENDITURES:							
General Government.....	\$ 10,219,935	\$ -	\$ -	\$ 14,452,075	\$ 2,544,656	\$ 27,216,666	\$ 22,109,800
Protection to Persons and Property.....	31,157,108	-	-	29,738,807	22,793,190	83,689,105	81,154,559
Human Services.....	1,937,167	-	-	83,806,311	525,541,763	611,285,241	611,350,545
Employment & Training.....	0	-	-	2,462,763	23,102,674	25,565,437	27,215,947
General Education.....	4,813,343	750,889,881	-	2,549,054	83,062,354	841,314,632	833,680,139
Natural Resources.....	1,089,671	-	13,277,700	25,701,101	24,450,356	64,518,830	68,490,445
Commerce and Community Development.....	158,652	-	-	3,927,391	14,884,217	18,970,260	15,814,367
Transportation.....	294,253,268	-	-	12,349	-	294,265,617	266,787,080
Public Service Enterprises.....	0	-	-	1,257,308	-	1,257,308	1,272,134
Debt Service.....	3,131,320	-	-	2,388,348	-	5,519,668	6,179,155
Miscellaneous.....	-	-	-	12,132,666	-	12,132,666	4,971,000
Total Expenditures.....	\$ 346,760,464	\$ 750,889,881	\$ 13,277,700	\$ 178,428,173	\$ 696,379,212	\$ 1,985,735,430	\$ 1,939,035,171
Excess of Revenues Over (Under) Expenditures.....	\$ (16,898,730)	\$ (255,126,227)	\$ (1,935,994)	\$ 6,228,598	\$ 11,940,389	\$ (255,791,964)	\$ (258,695,121)
Other Financing Sources (Uses):							
Operating Transfers In.....	\$ 8,933,822	\$ 263,158,095	\$ 1,170,407	\$ 25,754,410	\$ 2,008,401	\$ 301,025,135	\$ 301,900,328
Operating Transfers (Out).....	(10,365,254)	(5,880,000)	-	(15,829,673)	(8,533,969)	(40,408,896)	(36,234,267)
Operating Transfers In (Out)- Component Units.....	-	-	-	(1,152,016)	-	(1,152,016)	(241,903)
Other Sources (Uses).....	(152)	-	(570)	(23,037)	(104,102)	(127,861)	(73,991)
Total Other Financing Sources (Uses).....	\$ (1,431,584)	\$ 257,278,095	\$ 1,169,837	\$ 8,949,684	\$ (6,629,670)	\$ 259,336,362	\$ 265,350,167
Excess of Revenues and Other Sources Over (Under) Expenditures/Other Uses.....	\$ (18,330,314)	\$ 2,151,868	\$ (766,157)	\$ 15,178,282	\$ 5,310,719	\$ 3,544,398	\$ 6,655,046
Fund Balance, July 1 (as restated).....	33,711,980	33,225,585	5,808,150	29,696,619	20,264,747	122,709,081	116,213,541
Fund Balance, June 30.....	\$ 15,381,666	\$ 35,377,453	\$ 5,041,893	\$ 44,876,901	\$ 25,575,466	\$ 126,253,479	\$ 122,868,587

**STATE OF VERMONT
TRANSPORTATION FUND
COMPARATIVE BALANCE SHEET
June 30, 2001 and 2000**

	Totals	
	<u>June 30, 2001</u>	<u>June 30, 2000</u>
ASSETS:		
Cash and Cash Equivalents.....	\$ 16,804,188	\$ 28,496,252
Restricted Cash	2,131,754	1,906,013
Receivables:		
Taxes.....	6,155,736	4,719,201
Loans.....	957,779	494,859
Other.....	545,530	1,239,310
Intergovernmental Receivable - Federal Government...	15,003,023	20,663,992
Due From Component Units.....	1,372,790	1,706,865
Total Assets.....	\$ 42,970,800	\$ 59,226,492
LIABILITIES AND FUND BALANCE		
LIABILITIES:		
Accounts Payable	\$ 20,846,691	\$ 19,809,120
Accrued Liabilities.....	3,613,475	3,097,870
Retainage Payable.....	2,719,307	2,235,144
Due to Other Funds.....	-	11,540
Intergovernmental Payable - Other Governments.....	409,661	360,838
Total Liabilities.....	\$ 27,589,134	\$ 25,514,512
FUND BALANCE:		
Reserved:		
Encumbrances.....	\$ -	\$ 69,229
Budget Stabilization.....	8,882,450	8,802,914
Unreserved	6,499,216	24,839,837
Total Fund Balance.....	\$ 15,381,666	\$ 33,711,980
Total Liabilities and Fund Balance.....	\$ 42,970,800	\$ 59,226,492

**STATE OF VERMONT
TRANSPORTATION FUND
COMPARATIVE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 2001 and 2000**

	Totals	
	2001	2000
REVENUES:		
Taxes:		
Motor Fuel.....	\$ 53,392,374	\$ 50,830,448
Purchase and Use.....	60,776,420	57,930,085
Other Taxes.....	20,273,282	16,790,076
Business Licenses.....	276,120	713,380
Non-Business Licenses:		
Motor Vehicle License and Registration.....	33,714,515	35,763,534
Other Non-Business Licenses.....	9,256,341	8,824,074
Fees.....	2,525,015	2,493,775
Services.....	87,052	138,981
Fines and Forfeits.....	7,558,433	7,938,927
Interest and Premiums.....	131,422	115,941
Federal Grants.....	139,921,489	138,954,002
Other Revenues.....	1,949,271	1,906,787
Total Revenues.....	\$ 329,861,734	\$ 322,400,010
EXPENDITURES:		
General Government.....	\$ 10,219,935	\$ 7,891,369
Protection to Persons and Property.....	31,157,108	28,578,364
Human Services.....	1,937,167	1,975,842
General Education.....	4,813,343	3,683,400
Natural Resources.....	1,089,671	972,012
Commerce and Community Development	158,652	178,419
Transportation.....	294,253,268	266,382,541
Debt Service.....	3,131,320	3,789,207
Total Expenditures.....	\$ 346,760,464	\$ 313,451,154
Excess of Revenues Over (Under) Expenditures.....	\$ (16,898,730)	\$ 8,948,856
OTHER FINANCING SOURCES (USES):		
Transfers From General Fund.....	\$ 6,150,000	\$ -
Transfers From Other Special Revenue Funds.....	2,783,822	2,661,632
Other Operating Transfers In.....	-	6,051
Transfers To General Fund.....	(698,187)	-
Transfers To Other Special Revenue Funds.....	(5,151,776)	(4,805,021)
Other Operating Transfers Out.....	(4,515,291)	(63,085)
Other Sources (Uses).....	(152)	(267)
Total Other Financing Sources (Uses).....	\$ (1,431,584)	\$ (2,200,690)
Excess of Revenues and Other Sources Over(Under)		
Expenditures and Other Uses.....	\$ (18,330,314)	\$ 6,748,166
Fund Balance, July 1	33,711,980	26,963,814
Fund Balance, June 30.....	\$ 15,381,666	\$ 33,711,980

**STATE OF VERMONT
EDUCATION FUND
COMPARATIVE BALANCE SHEET
June 30, 2001 and 2000**

	Totals	
	June 30, 2001	June 30, 2000
ASSETS:		
Cash and Cash Equivalents.....	\$ 36,573,337	\$ 37,383,774
Taxes Receivable.....	5,645,032	5,361,557
Due From Other Funds.....	2,605,209	535,078
Total Assets.....	\$ 44,823,578	\$ 43,280,409
LIABILITIES:		
Accounts Payable.....	\$ 9,446,125	\$ 10,054,824
Total Liabilities.....	\$ 9,446,125	\$ 10,054,824
FUND BALANCE:		
Reserved for:		
Budget Stabilization.....	\$ 20,999,125	\$ 18,810,234
Unreserved	14,378,328	14,415,351
Total Fund Balance.....	\$ 35,377,453	\$ 33,225,585
Total Liabilities and Fund Balance.....	\$ 44,823,578	\$ 43,280,409

**STATE OF VERMONT
EDUCATION FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2001 and 2000**

	Totals	
	2001	2000
REVENUES:		
Taxes:		
Statewide Property Tax.....	\$ 407,390,656	\$ 395,756,613
Meals and Rooms Tax.....	18,221,366	16,958,389
Corporate Income Tax.....	9,560,609	9,627,055
Motor Fuel Tax.....	10,663,815	10,176,866
Purchase and Use Tax.....	12,184,468	11,613,835
Other Taxes.....	34,955,860	33,315,662
Fees.....	2,568,200	2,336,995
Interest.....	218,680	285,311
Total Revenues.....	\$ 495,763,654	\$ 480,070,726
EXPENDITURES:		
General Education.....	750,889,881	750,114,640
Total Expenditures.....	\$ 750,889,881	\$ 750,114,640
Excess of Revenues Over (Under)		
Expenditures.....	\$ (255,126,227)	\$ (270,043,914)
Other Financing Sources (Uses):		
Transfers From General Fund.....	\$ 238,032,196	\$ 248,771,235
Transfers From Other Special Revenue Funds.....	8,175,815	8,131,352
Other Operating Transfers In.....	16,950,084	19,426,594
Transfers To General Fund.....	(5,880,000)	(12,083,953)
Transfers To Other Special Revenue Funds.....	-	-
Other Sources (Uses).....	-	-
Total Other Financing Sources.....	\$ 257,278,095	\$ 264,245,228
Excess of Revenues and Other Sources		
Over Expenditures and Other (Uses).....	\$ 2,151,868	\$ (5,798,686)
Fund Balance July 1.....	33,225,585	39,024,271
Fund Balance June 30.....	\$ 35,377,453	\$ 33,225,585

STATE OF VERMONT
FISH AND WILDLIFE FUND
COMPARATIVE BALANCE SHEET
June 30, 2001 and 2000

		Totals	
		June 30, 2001	June 30, 2000
ASSETS:			
Cash and Cash Equivalents.....	\$	5,246,885	\$ 5,681,136
Accounts Receivable.....		408,302	422,567
Taxes Receivable.....		81,779	62,071
Intergovernmental Receivable - Federal Government.....		231,986	403,714
Total Assets.....	\$	5,968,952	\$ 6,569,488
LIABILITIES:			
Accounts Payable.....	\$	614,046	\$ 491,426
Accrued Liabilities.....		312,913	261,264
Retainage Payable.....		-	8,648
Total Liabilities.....	\$	926,959	\$ 761,338
FUND BALANCE:			
Reserved for Encumbrances.....	\$	133,810	\$ 447,822
Unreserved- Undesignated.....		4,908,183	5,360,328
Total Fund Balance.....	\$	5,041,993	\$ 5,808,150
Total Liabilities and Fund Balance.....	\$	5,968,952	\$ 6,569,488

STATE OF VERMONT
FISH AND WILDLIFE FUND
COMPARATIVE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 2001 and 2000

	Totals	
	2001	2000
REVENUES:		
Motor Fuel Tax.....	\$ 1,003,549	\$ 950,265
Non-Business Licenses.....	6,159,957	6,201,385
Interest.....	222,241	205,261
Federal Grants.....	3,605,283	3,451,233
Other Revenues.....	350,676	557,406
Total Revenues.....	\$ 11,341,706	\$ 11,365,550
EXPENDITURES:		
Natural Resources.....	\$ 13,277,700	\$ 11,372,937
Total Expenditures.....	\$ 13,277,700	\$ 11,372,937
Excess of Revenues Over (Under) Expenditures.....	\$ (1,935,994)	\$ (7,387)
Other Financing Sources (Uses):		
Transfers From Other Special Revenue Funds.....	\$ 1,170,407	\$ 530,558
Other Sources (Uses)	(570)	597
Total Other Financing Sources (Uses).....	\$ 1,169,837	\$ 531,155
Excess of Revenues and Other Sources Over (Under)		
Expenditures and Other (Uses).....	\$ (766,157)	\$ 523,768
Fund Balance, July 1,	5,808,150	5,284,382
Fund Balance, June 30.....	\$ 5,041,993	\$ 5,808,150

**STATE OF VERMONT
SPECIAL FUND
COMPARATIVE BALANCE SHEETS
June 30, 2001 and 2000**

	Totals	
	June 30, 2001	June 30, 2000
ASSETS:		
Cash and Cash Equivalents.....	\$ 52,754,958	\$ 39,708,742
Restricted Cash on Deposit with Fiscal Agent....	1,519,651	199,000
Accounts Receivable.....	2,908,098	1,922,166
Loans Receivable.....	190,000	500,000
Taxes Receivable.....	2,508,254	2,000,879
Accrued Interest Receivable.....	1,027	128
Other Accounts Receivable.....	2,195,818	1,090,172
Due from Other Funds.....	61,287	18,791
Total Assets.....	\$ 62,139,093	\$ 45,439,878
LIABILITIES:		
Accounts Payable.....	\$ 14,539,212	\$ 12,998,390
Accrued Liabilities.....	1,502,986	1,752,263
Retainage Payable.....	38,406	302,196
Due to Component Units.....	900,000	-
Deferred Revenue.....	281,588	528,904
Total Liabilities.....	\$ 17,262,192	\$ 15,581,753
FUND BALANCE:		
Reserved for:		
Encumbrances.....	\$ 1,556,596	\$ 169,409
Unreserved - Undesignated.....	43,320,305	29,688,716
Total Fund Balance.....	\$ 44,876,901	\$ 29,858,125
Total Liabilities & Fund Balance.....	\$ 62,139,093	\$ 45,439,878

**STATE OF VERMONT
SPECIAL FUND
COMPARATIVE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 2001 and 2000**

	Totals	
	2001	2000
REVENUES:		
Fees.....	\$ 21,835,064	\$ 20,174,407
Rents and Leases.....	182,595	205,403
Sales of Services.....	6,792,879	13,391,894
Sale of Public Power.....	2,691,056	2,560,404
Interest.....	3,596,703	3,474,531
Business Licenses.....	16,897,983	12,286,696
Non-Business Licenses.....	1,185,374	1,047,117
Special Assessments.....	12,430,172	8,917,429
Motor Fuel Tax.....	1,654,976	1,580,790
Other Taxes.....	79,239,860	61,401,755
Other Revenues.....	38,150,109	34,977,989
Total Revenues.....	\$ 184,656,771	\$ 160,018,415
EXPENDITURES:		
General Government.....	\$ 14,452,075	\$ 11,873,245
Protection to Persons and Property.....	29,738,807	29,562,348
Human Services.....	83,806,311	79,249,602
Employment and Training.....	2,462,763	3,292,598
General Education.....	2,549,054	4,258,127
Natural Resources.....	25,701,101	22,028,506
Commerce and Community Development.....	3,927,391	3,730,753
Transportation.....	12,349	414,539
Public Services Enterprises.....	1,257,308	1,272,134
Debt Service.....	2,388,348	2,389,948
Other Expenditures.....	12,132,666	4,971,000
Total Expenditures.....	\$ 178,428,173	\$ 163,042,800
Excess of Revenues Over (Under) Expenditures.....	\$ 6,228,598	\$ (3,024,385)
Other Financing Sources (Uses):		
Transfers From General Fund.....	\$ 18,388,251	\$ 11,926,004
Transfers From Other Special Revenue Funds.....	4,977,811	4,134,269
Other Operating Transfers In.....	2,388,348	2,389,947
Transfers To General Fund.....	(12,168,411)	(8,377,854)
Transfers To Other Special Revenue Funds.....	(3,430,792)	(2,787,206)
Transfers To a Component Unit.....	(1,152,016)	(241,903)
Other Operating Transfers (Out).....	(30,470)	(122,028)
Other Sources (Uses).....	(23,037)	115,006
Total Other Financing Sources (Uses).....	\$ 8,949,684	\$ 7,036,235
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses.....	\$ 15,178,282	\$ 4,011,850
Fund Balance, July 1 (as restated).....	29,698,619	25,846,275
Fund Balance, June 30.....	\$ 44,876,901	\$ 29,858,125

STATE OF VERMONT
FEDERAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2001 and 2000

	Totals	
	June 30, 2001	June 30, 2000
Assets		
Cash and Cash Equivalents.....	\$ 6,771,457	\$ 9,059,780
Accounts Receivable.....	4,093,526	367,851
Loans Receivable.....	94,956,151	83,036,162
Due From Component Units.....	2,548,450	1,172,195
Intergovernmental Receivable - Federal Government.....	87,801,270	95,080,457
Total Assets.....	\$ 196,170,854	\$ 188,716,445
LIABILITIES:		
Accounts Payable.....	\$ 64,117,494	\$ 74,051,493
Accrued Liabilities.....	3,660,613	3,762,696
Deferred Revenue.....	102,755,994	90,637,509
Due To Other Funds.....	61,287	-
Total Liabilities.....	\$ 170,595,388	\$ 168,451,698
FUND BALANCE:		
Unreserved:		
Designated for Human Services.....	\$ 2,116,954	\$ 276,741
Undesignated.....	23,458,512	19,988,006
Total Fund Balance.....	\$ 25,575,466	\$ 20,264,747
Total Liabilities and Fund Balance.....	\$ 196,170,854	\$ 188,716,445

STATE OF VERMONT
FEDERAL REVENUE FUND
COMPARATIVE STATEMENT OF REVENUES
EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 2001 and 2000

	Totals	
	2001	2000
REVENUES:		
Federal Grants.....	\$ 705,663,936	\$ 704,939,392
Interest Income.....	674,562	539,770
Loan Repayments.....	1,975,981	1,006,187
Other Revenues.....	5,122	-
Total Revenues.....	\$ 708,319,601	\$ 706,485,349
EXPENDITURES:		
General Government.....	\$ 2,544,656	\$ 2,345,186
Protection to Persons and Property.....	22,793,190	23,013,847
Human Services.....	525,541,763	530,125,101
Employment and Training.....	23,102,674	23,923,349
General Education.....	83,062,354	75,623,972
Natural Resources.....	24,450,358	34,116,990
Commerce and Community Development.....	14,884,217	11,905,195
Total Expenditures.....	\$ 696,379,212	\$ 701,053,640
Excess of Revenues Over (Under)		
Expenditures.....	\$ 11,940,389	\$ 5,431,709
Other Financing Sources (Uses):		
Transfers From General Fund.....	\$ 495,442	\$ 24,987
Transfers From Other Special Revenue Funds.....	681	89,537
Other Operating Transfers In.....	1,512,278	3,808,162
Transfers To General Fund.....	(8,000)	(40,000)
Transfers To Other Special Revenue Funds.....	(8,525,969)	(7,955,120)
Other Sources (Uses).....	(104,102)	(189,327)
Total Other Financing Sources.....	\$ (6,629,670)	\$ (4,261,761)
Excess of Revenues and Other Sources		
Over Expenditures and Other (Uses).....	\$ 5,310,719	\$ 1,169,948
Fund Balance July 1.....	20,264,747	19,094,799
Fund Balance June 30.....	\$ 25,575,466	\$ 20,264,747

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CAPITAL PROJECTS FUNDS

STATE OF VERMONT
COMBINING BALANCE SHEET
ALL CAPITAL PROJECT FUNDS
June 30, 2001
(With comparative totals for June 30, 2000)

	General Bond Fund	Transportation Bond Fund	Totals	
			June 30, 2001	June 30, 2000
ASSETS:				
Cash and Cash Equivalents.....	\$ 28,006,180	\$ 34,300	\$ 28,040,480	\$ 33,110,976
Total Assets.....	\$ 28,006,180	\$ 34,300	\$ 28,040,480	\$ 33,110,976
LIABILITIES:				
Accounts Payable.....	\$ 1,354,795	\$ 9,986	\$ 1,364,781	\$ 1,990,144
Accrued Liabilities.....	-	-	0	7,897
Retainage Payable.....	530,952	-	530,952	610,957
Total Liabilities.....	\$ 1,885,747	\$ 9,986	\$ 1,895,733	\$ 2,608,998
FUND BALANCE:				
Reserved for Encumbrances.....	\$ 3,781,371	\$ -	\$ 3,781,371	\$ 7,975,489
Unreserved-Designated for Continuing Appropriations.....	22,339,062	24,314	22,363,376	22,526,489
Total Fund Balance.....	\$ 26,120,433	\$ 24,314	\$ 26,144,747	\$ 30,501,978
Total Liabilities & Fund Balance.....	\$ 28,006,180	\$ 34,300	\$ 28,040,480	\$ 33,110,976

STATE OF VERMONT
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-ALL CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(With comparative totals for the fiscal year ended June 30, 2000)

	General Bond Fund	Transportation Bond Fund	Totals	
			2001	2000
EXPENDITURES:				
General Government.....	\$ 10,492,521	\$ -	\$ 10,492,521	\$ 6,933,088
Protection to Persons and Property.....	3,838,368	-	3,838,368	5,999,763
Human Services.....	1,152,794	-	1,152,794	656,350
General Education.....	10,873,284	-	10,873,284	8,252,732
Natural Resources.....	7,284,148	-	7,284,148	7,142,135
Commerce and Community Development.....	1,194,306	-	1,194,306	753,684
Transportation.....	-	12,355	12,355	603,504
Total Expenditures.....	\$ 34,835,421	\$ 12,355	\$ 34,847,776	\$ 30,341,256
Other Financing Sources(Uses):				
Proceeds From Sale of Bonds.....	\$ 0	\$ -	\$ 0	\$ 37,000,000
Transfer From General Fund.....	35,778,442	-	35,778,442	0
Transfer From Transportation Bond Fund.....	0	-	0	4,758
Transfer From Other Funds.....	0	8,308	8,308	8,824
Transfer To General Fund.....	(489)	-	(489)	0
Transfer To General Bond Fund.....	-	0	0	(4,758)
Transfer To Special Revenue Funds.....	(1,512,278)	0	(1,512,278)	(3,814,213)
Transfers To Component Units.....	(3,801,014)	-	(3,801,014)	(555,500)
Other Sources (Uses).....	-	17,576	17,576	0
Total Other Financing Sources (Uses).....	\$ 30,464,661	\$ 25,884	\$ 30,490,545	\$ 32,639,111
Excess of Other Financing Sources Over (Under) Expenditures and Other Financing Uses.....	\$ (4,370,760)	\$ 13,529	\$ (4,357,231)	\$ 2,297,855
Fund Balance, July 1,	30,491,193	10,785	30,501,978	28,204,123
Fund Balance, June 30.....	\$ 26,120,433	\$ 24,314	\$ 26,144,747	\$ 30,501,978

**STATE OF VERMONT
GENERAL BOND FUND
COMPARATIVE BALANCE SHEET
June 30, 2001 and 2000**

	<u>June 30, 2001</u>	<u>June 30, 2000</u>
ASSETS:		
Cash and Cash Equivalents.....	\$ 28,006,180	\$ 33,076,707
Total Assets.....	\$ 28,006,180	\$ 33,076,707
LIABILITIES:		
Accounts Payable.....	\$ 1,354,795	\$ 1,984,236
Accrued Liabilities.....	-	7,897
Retainage Payable.....	530,952	593,381
Total Liabilities.....	\$ 1,885,747	\$ 2,585,514
FUND BALANCE:		
Reserved for Encumbrances.....	\$ 3,781,371	\$ 7,975,489
Unreserved - Designated for Continuing Appropriations.....	22,339,062	22,515,704
Total Fund Balance.....	\$ 26,120,433	\$ 30,491,193
Total Liabilities and Fund Balance.....	\$ 28,006,180	\$ 33,076,707

STATE OF VERMONT
GENERAL BOND FUND
COMPARATIVE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEARS ENDED JUNE 30, 2001 and 2000

	Totals	
	2001	2000
EXPENDITURES:		
General Government.....	\$ 10,492,521	\$ 6,933,088
Protection to Persons and Property.....	3,838,368	5,999,763
Human Services.....	1,152,794	656,350
General Education.....	10,873,284	8,252,732
Natural Resources.....	7,284,148	7,142,135
Commerce and Community Development.....	1,194,306	753,684
Total Expenditures.....	\$ 34,835,421	\$ 29,737,752
Other Financing Sources (Uses):		
Proceeds from Sale of Bonds.....	\$ -	\$ 37,000,000
Transfer from General Funds.....	35,778,442	-
Transfer from Transportation Bond Fund.....	-	4,758
Transfer from Other Funds.....	-	8,824
Transfers to General Fund.....	(489)	-
Transfers to Special Revenue Funds.....	(1,512,278)	(3,808,162)
Transfers to Component Units.....	(3,801,014)	(555,500)
Other Sources (Uses).....	-	-
Total Other Financing Sources (Uses).....	\$ 30,464,661	\$ 32,649,920
Excess of Other Financing Sources Over (Under)		
Expenditures and Other Financing Uses.....	\$ (4,370,760)	\$ 2,912,168
Fund Balance, July 1,	30,491,193	27,579,025
Fund Balance June 30.....	\$ 26,120,433	\$ 30,491,193

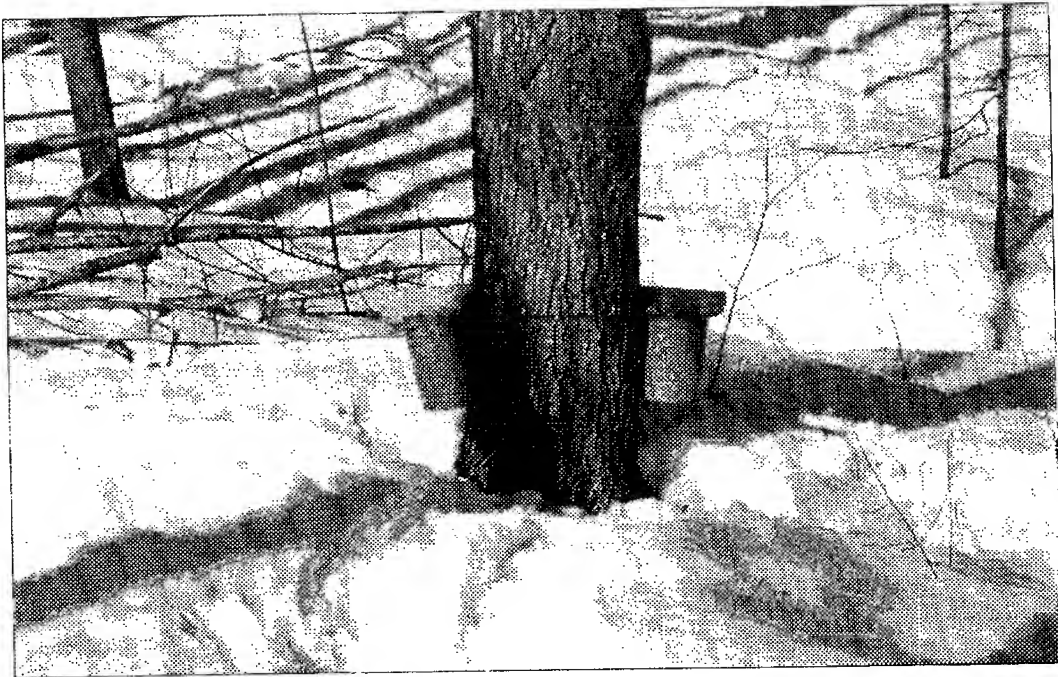
STATE OF VERMONT
TRANSPORTATION BOND FUND
COMPARATIVE BALANCE SHEET
June 30, 2001 and 2000

	<u>June 30, 2001</u>	<u>June 30, 2000</u>
ASSETS:		
Cash and Cash Equivalents.....	\$ 34,300	\$ 34,269
Total Assets.....	\$ 34,300	\$ 34,269
LIABILITIES:		
Accounts Payable.....	\$ 9,986	\$ 5,908
Retainage Payable.....	-	17,576
Total Liabilities.....	\$ 9,986	\$ 23,484
FUND BALANCE:		
Unreserved-Designated for Continuing Appropriations.....	\$ 24,314	\$ 10,785
Total Fund Balance.....	\$ 24,314	\$ 10,785
Total Liabilities & Fund Balance.....	\$ 34,300	\$ 34,269

STATE OF VERMONT
TRANSPORTATION BOND FUND
COMPARATIVE STATEMENT OF REVENUE,
EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEARS ENDED JUNE 30, 2001 AND 2000

	Totals	
	2001	2000
EXPENDITURES:		
Transportation.....	\$ 12,355	\$ 603,504
Total Expenditures.....	\$ 12,355	\$ 603,504
Other Financing Sources (Uses):		
Proceeds From Sale of Bonds.....	\$ -	\$ -
Transfers From Other Funds.....	8,308	-
Transfers To Transportation Fund.....	-	(6,051)
Transfer To General Bond Fund.....	-	(4,758)
Other Sources (Uses).....	17,576	-
Total Other Financing Sources (Uses).....	\$ 25,884	\$ (10,809)
Excess of Other Financing Sources Over (Under)		
Expenditures and Other Financing Uses.....	\$ 13,529	\$ (614,313)
Fund Balance, July 1,	10,785	625,098
Fund Balance, June 30.....	\$ 24,314	\$ 10,785

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ENTERPRISE FUNDS

STATE OF VERMONT
ENTERPRISE FUNDS
COMBINING BALANCE SHEET
June 30, 2001
(With comparative totals for June 30, 2000)

ASSETS	Industrial Homework Office Fund	Liquor Control Fund	Federal Surplus Property Fund
Current Assets:			
Cash and Cash Equivalents.....	\$ 32,115	\$ 984,388	\$ -
Investments.....	-	-	-
Accrued Interest Receivable.....	-	-	-
Accounts Receivable (net of allowance for uncollectibles).....	33,785	127,498	2,062
Loans Receivable.....	-	-	-
Inventories, at cost.....	-	3,744,463	323,716
Prepaid Expenses.....	-	-	-
Total Current Assets.....	\$ 65,900	\$ 4,856,349	\$ 325,778
Restricted and Noncurrent Assets:			
Cash-Subscription Reserve Fund.....	\$ -	\$ -	\$ -
Loans Receivable.....	-	-	-
Accounts Receivable-Subscriptions.....	-	-	-
Imprest Cash and Change Fund-Advances.....	1,700	5,700	-
Total Restricted & Noncurrent Assets.....	\$ 1,700	\$ 5,700	\$ 0
Fixed Assets:			
Building and Leasehold Improvements.....	\$ -	\$ 41,850	\$ -
Equipment, Furniture and Fixtures.....	-	546,802	15,275
Accumulated Depreciation.....	-	(206,129)	(15,275)
Total Fixed Assets.....	\$ 0	\$ 382,523	\$ 0
Total Assets.....	\$ 67,600	\$ 5,244,572	\$ 325,778
LIABILITIES AND FUND EQUITY			
Current Liabilities:			
Accounts Payable.....	\$ -	\$ 3,675,620	\$ 67
Accrued Salaries and Benefits.....	6,661	287,108	-
Claims Payable.....	-	-	-
Due to Agents.....	-	178,659	-
Due to Other Funds.....	-	173,331	-
Interfund Payable.....	-	365,103	126,213
Future and Unclaimed Prizes Payable.....	-	-	-
Deferred Revenue.....	-	-	-
Total Current Liabilities.....	\$ 6,661	\$ 4,679,821	\$ 126,280
Liabilities Payable From Restricted Assets:			
Unexpired Subscriptions.....	\$ -	\$ -	\$ -
Cash Advances by State Treasurer.....	1,700	5,700	-
Total Liabilities Payable From Restricted Assets.....	\$ 1,700	\$ 5,700	\$ 0
Total Liabilities.....	\$ 8,361	\$ 4,685,521	\$ 126,280
Fund Equity:			
Contributed Capital:			
General Fund.....	\$ -	\$ -	\$ -
Federal Government and Other Funds.....	123,001	-	323,715
Retained Earnings/Fund Balance (Deficit).....	(63,762)	559,051	(124,217)
Total Fund Equity.....	\$ 59,239	\$ 559,051	\$ 199,498
Total Liabilities and Fund Equity.....	\$ 67,600	\$ 5,244,572	\$ 325,778

Vermont Life Magazine Fund	Vermont Lottery Commission	Municipal Equipment Loan Fund	Vermont Adaptive Equipment Revolving Fund	Totals	
				June 30, 2001	(Restated) June 30, 2000
\$ 200	\$ 190,777	\$ 936,024	\$ 240,692	\$ 2,384,195	\$ 3,895,757
-	4,646,719	-	-	4,646,719	3,175,536
-	-	15,893	2,303	18,196	19,725
121,295	757,674	-	27,914	1,070,228	438,669
106,659	-	999,015	460,736	1,459,751	922,220
242,853	563,075	-	-	4,737,913	4,469,829
<u>\$ 471,007</u>	<u>\$ 6,158,245</u>	<u>\$ 1,950,932</u>	<u>\$ 731,644</u>	<u>\$ 14,559,855</u>	<u>\$ 13,081,959</u>
\$ 693,292	\$ -	\$ -	\$ -	\$ 693,292	\$ 694,202
30,076	-	614,890	-	614,890	1,125,100
-	-	-	-	30,076	49,118
-	-	-	-	7,400	7,600
<u>\$ 723,368</u>	<u>\$ 0</u>	<u>\$ 614,890</u>	<u>\$ 0</u>	<u>\$ 1,345,658</u>	<u>\$ 1,876,020</u>
\$ -	\$ -	\$ -	\$ -	\$ 41,850	\$ 133,557
65,873	260,492	-	-	888,442	2,901,047
(65,873)	(103,264)	-	-	(390,541)	(1,851,596)
<u>\$ 0</u>	<u>\$ 157,228</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 539,751</u>	<u>\$ 1,183,008</u>
<u>\$ 1,194,375</u>	<u>\$ 6,315,473</u>	<u>\$ 2,565,822</u>	<u>\$ 731,644</u>	<u>\$ 16,445,264</u>	<u>\$ 16,140,987</u>
\$ 45,193	\$ 987,392	\$ -	\$ -	\$ 4,708,272	\$ 5,991,798
58,019	109,427	-	-	461,215	439,736
-	4,104,549	-	-	4,104,549	3,063,760
-	-	-	-	178,659	158,537
-	42,243	-	-	215,574	1,027,874
238,700	-	-	-	730,016	74,593
-	186,585	-	-	186,585	105,327
77,289	187,746	-	-	265,035	258,446
<u>\$ 419,201</u>	<u>\$ 5,617,942</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 10,849,905</u>	<u>\$ 11,120,071</u>
\$ 692,292	\$ -	\$ -	\$ -	\$ 692,292	\$ 693,202
1,200	300,000	-	-	308,600	308,600
<u>\$ 693,492</u>	<u>\$ 300,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,000,892</u>	<u>\$ 1,001,802</u>
<u>\$ 1,112,693</u>	<u>\$ 5,917,942</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 11,850,797</u>	<u>\$ 12,121,873</u>
\$ 638,134	\$ -	\$ 2,000,000	\$ -	\$ 2,638,134	\$ 2,638,134
-	-	-	492,301	939,017	123,001
(556,452)	397,531	565,822	239,344	1,017,317	1,257,979
<u>\$ 81,682</u>	<u>\$ 397,531</u>	<u>\$ 2,565,822</u>	<u>\$ 731,644</u>	<u>\$ 4,594,467</u>	<u>\$ 4,019,114</u>
<u>\$ 1,194,375</u>	<u>\$ 6,315,473</u>	<u>\$ 2,565,822</u>	<u>\$ 731,644</u>	<u>\$ 16,445,264</u>	<u>\$ 16,140,987</u>

STATE OF VERMONT
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(With comparative totals for the fiscal year ended June 30, 2000)

	Industrial Homework Office Fund	Liquor Control Fund	Federal Surplus Property Fund
Operating Revenues:			
Charges For Sales and Services.....	\$ 193,291	\$ 30,728,343	\$ 46,807
Ticket Sales.....	-	-	-
License Fees.....	-	164,604	-
Advertising Revenue.....	-	-	-
Other Operating Revenues.....	-	820,167	-
Total Operating Revenues.....	\$ 193,291	\$ 31,713,114	\$ 46,807
Operating Expenses:			
Cost of Sales and Services.....	\$ -	\$ 24,673,556	\$ 37,369
Cash and Free Ticket Prizes.....	-	-	-
Agents Commissions and Fees.....	-	-	-
Megabucks Expenses.....	-	-	-
Lottery Tickets.....	-	-	-
Salaries and Wages.....	176,526	-	27,146
Employee Benefits.....	13,471	-	4,422
Transportation.....	-	-	6,897
Warehouse Expense.....	-	787,780	23,156
Depreciation.....	-	233,620	-
Rentals.....	-	-	-
Utilities.....	-	-	1,382
Stores and Agencies Expense.....	-	3,252,828	-
Promotions and Advertising.....	-	-	-
Administration.....	-	1,135,288	3,327
Inspection and Enforcement Expense.....	-	1,245,045	-
Supplies.....	-	-	3,198
Distribution and Postage.....	-	-	3
Travel.....	-	-	983
Loss on Bad Debts.....	-	-	-
Other Operating Expenses.....	-	3,953	3,016
Total Operating Expenses.....	\$ 189,997	\$ 31,332,070	\$ 110,899
Operating Income(Loss).....	\$ 3,294	\$ 381,044	\$ (64,092)
Non-Operating Revenues (Expenses):			
Gain (Loss) on Disposal of Fixed Assets.....	\$ -	\$ (500,720)	\$ -
Investment Income.....	-	2,490	-
Total Non-Operating Revenues (Expenses).....	\$ 0	\$ (498,230)	\$ 0
Income (Loss) Before Operating Transfers and Loss			
on Sale of Business.....	\$ 3,294	\$ (117,186)	\$ (64,092)
Operating Transfer In.....	-	-	-
Operating Transfer (Out).....	-	(327,000)	-
Net Income (Loss).....	\$ 3,294	\$ (444,186)	\$ (64,092)
Retained Earnings-Fund Balances, July 1, as restated.....	(67,056)	1,003,237	(60,125)
Retained Earnings-Fund Balances, June 30.....	\$ (63,762)	\$ 559,051	\$ (124,217)

Vermont Life Magazine Fund	Vermont Lottery Commission	Municipal Equipment Loan Fund	Vermont Adaptive Equipment Revolving Fund	Totals	
				2001	Restated 2000
\$ 1,539,110	\$ -	\$ -	\$ -	\$ 32,507,551	\$ 30,877,014
-	81,198,198	-	-	81,198,198	75,030,846
-	42,222	-	-	206,826	178,937
795,871	-	-	-	795,871	778,760
171,543	-	40,605	52,045	1,084,361	1,051,348
<u>\$ 2,506,525</u>	<u>\$ 81,240,420</u>	<u>\$ 40,605</u>	<u>\$ 52,045</u>	<u>\$ 115,792,807</u>	<u>\$ 107,916,905</u>
\$ 960,452	\$ -	\$ -	\$ -	\$ 25,671,377	\$ 24,687,608
-	52,230,445	-	-	52,230,445	46,791,511
-	4,696,864	-	-	4,696,864	4,339,199
-	4,059,312	-	-	4,059,312	1,751,419
-	1,403,850	-	-	1,403,850	722,686
504,512	985,126	-	-	1,693,310	1,599,794
120,816	-	-	-	138,709	129,870
46,527	-	-	-	53,424	47,828
-	-	-	-	810,936	583,246
64,668	56,472	-	-	354,760	275,680
-	42,068	-	-	42,068	41,735
-	-	-	-	1,382	2,117
-	-	-	-	3,252,828	2,847,618
406,458	-	-	-	406,458	387,548
203,889	769,262	-	-	2,111,766	1,995,677
-	-	-	-	1,245,045	1,107,834
23,018	31,100	-	-	57,316	54,299
240,369	-	-	-	240,372	230,417
2,658	-	-	-	3,641	6,056
(20,730)	17,572	-	12,275	9,117	(4,017)
34,444	555,722	-	-	597,135	608,981
<u>\$ 2,587,081</u>	<u>\$ 64,847,793</u>	<u>\$ 0</u>	<u>\$ 12,275</u>	<u>\$ 99,080,115</u>	<u>\$ 88,207,106</u>
<u>\$ (80,556)</u>	<u>\$ 16,392,627</u>	<u>\$ 40,605</u>	<u>\$ 39,771</u>	<u>\$ 16,712,692</u>	<u>\$ 19,709,799</u>
\$ -	\$ (105,961)	\$ -	\$ -	\$ (606,681)	\$ 6,832
29,076	653,033	24,076	-	708,675	279,132
<u>\$ 29,076</u>	<u>\$ 547,073</u>	<u>\$ 24,076</u>	<u>\$ 0</u>	<u>\$ 101,995</u>	<u>\$ 285,964</u>
\$ (51,480)	\$ 16,939,700	\$ 64,681	\$ 39,771	\$ 16,814,687	\$ 19,995,763
-	22,162	-	-	22,162	0
-	(16,950,084)	-	-	(17,277,084)	(19,753,594)
<u>\$ (51,480)</u>	<u>\$ 11,777</u>	<u>\$ 64,681</u>	<u>\$ 39,771</u>	<u>\$ (440,235)</u>	<u>\$ 242,169</u>
<u>(504,971)</u>	<u>385,754</u>	<u>501,141</u>	<u>199,573</u>	<u>1,457,553</u>	<u>1,015,810</u>
<u>\$ (556,451)</u>	<u>\$ 397,531</u>	<u>\$ 565,822</u>	<u>\$ 239,344</u>	<u>\$ 1,017,317</u>	<u>\$ 1,257,979</u>

STATE OF VERMONT
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(With comparative totals for the fiscal year ended June 30, 2000)

	Industrial Homework Office Fund	Liquor Control Fund	Federal Surplus Property Fund
Cash Flows from Operating Activities:			
Cash Received from Customers.....	\$ 189,856	\$ 41,749,545	\$ 51,293
Cash Paid to Suppliers For Goods and Services.....	-	(30,038,717)	(85,265)
Cash Paid to Employees For Services.....	(190,270)	(2,581,466)	(34,523)
Cash Paid for Prizes and Commissions.....	-	-	-
Cash Paid for Fees, Operations and Other.....	-	-	-
Liquor Taxes and Licenses Paid.....	-	(10,657,418)	-
Other Operating Revenues.....	33	816,214	-
Net Cash Provided(Used) by Operating Activities.....	\$ (381)	\$ (711,842)	\$ (68,495)
Cash Flows from Noncapital Financing Activities:			
Operating/Equity Transfers.....	\$ -	\$ (327,000)	\$ 68,495
Other Non-Operating Revenues.....	-	-	-
Net Cash (Used) by Noncapital Financing Activities.....	\$ 0	\$ (327,000)	\$ 68,495
Cash Flows from Capital and Related Financing Activities:			
Acquisition and Construction of Fixed Assets.....	\$ -	\$ (197,804)	\$ -
Proceeds from Sale of Fixed Assets.....	-	23,564	-
Net Cash Provided(Used) by Capital & Related Financing Activities.....	\$ 0	\$ (174,240)	\$ 0
Cash Flows from Investing Activities:			
Interest Earned on Investments.....	\$ -	\$ 2,490	\$ -
Purchase of Investments.....	-	-	-
Proceeds from Maturities of Investments.....	-	-	-
Net Cash Provided(Used) by Investing Activities.....	\$ 0	\$ 2,490	\$ 0
Net Increase(Decrease) in Cash and Cash Equivalents.....	\$ (381)	\$ (1,210,592)	\$ 0
Cash and Cash Equivalents at July 1.....	32,496	2,194,980	0
Cash and Cash Equivalents at June 30.....	\$ 32,115	\$ 984,388	\$ 0
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating Income(Loss).....	\$ 3,294	\$ 381,044	\$ (64,092)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation.....	\$ (3,435)	\$ 233,620	\$ -
(Increase)Decrease in Accounts Receivable.....	-	199,180	4,486
(Increase)Decrease in Loans Receivable.....	-	-	-
(Increase)Decrease in Inventories.....	-	(81,619)	-
(Increase)Decrease in Prepaid Expenses.....	-	25,267	-
Increase(Decrease) in Accounts Payable.....	-	(1,874,240)	(5,934)
Increase(Decrease) in Accrued Salaries and Benefits.....	(240)	19,681	(2,955)
Increase(Decrease) in Claims Payable.....	-	-	-
Increase(Decrease) in Due to Agents.....	-	20,122	-
Increase(Decrease) in Future and Unclaimed Prizes Payable.....	-	-	-
Increase(Decrease) in Deferred Revenue.....	-	-	-
Increase(Decrease) in Due to Other Funds.....	-	365,103	-
Increase(Decrease) in Subscription Reserves.....	-	-	-
Total Adjustments.....	\$ (3,675)	\$ (1,092,886)	\$ (4,403)
Net Cash Provided(Used) by Operating Activities.....	\$ (381)	\$ (711,842)	\$ (68,495)

Vermont Life Magazine Fund	Vermont Lottery Commission	Municipal Equipment Loan Fund	Vermont Adaptive Equipment Revolving Fund	Total	
				2001	Restated 2000
\$ 2,264,108	\$ 80,490,269	\$ 1,084,709	\$ 190,418	\$ 126,020,199	\$ 117,828,431
(2,032,674)	-	(651,293)	(292,571)	(33,100,519)	(28,696,037)
(631,038)	-	-	-	(3,437,297)	(3,265,116)
-	(55,734,561)	-	-	(55,734,561)	(51,287,867)
-	(7,380,206)	-	-	(7,380,206)	(4,699,993)
-	-	-	-	(10,657,418)	(10,073,803)
171,543	9,061	44,437	13,179	1,054,467	988,272
<u>\$ (228,060)</u>	<u>\$ 17,384,563</u>	<u>\$ 477,853</u>	<u>\$ (88,974)</u>	<u>\$ 16,764,664</u>	<u>\$ 20,793,887</u>
\$ 238,700	\$ (17,442,919)	\$ -	\$ -	\$ (17,462,724)	\$ (19,221,725)
-	69,867	-	-	69,867	0
<u>\$ 238,700</u>	<u>\$ (17,373,052)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (17,392,857)</u>	<u>\$ (19,221,725)</u>
\$ (23,751)	\$ (98,031)	\$ -	\$ -	\$ (319,586)	\$ (384,885)
-	-	-	-	23,564	17,199
<u>\$ (23,751)</u>	<u>\$ (98,031)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (296,022)</u>	<u>\$ (367,686)</u>
\$ 29,076	\$ 514,295	\$ 24,075	\$ -	\$ 569,936	\$ 159,068
-	(1,805,183)	-	-	(1,805,183)	0
-	334,000	-	-	334,000	0
<u>\$ 29,076</u>	<u>\$ (956,888)</u>	<u>\$ 24,075</u>	<u>\$ 0</u>	<u>\$ (901,247)</u>	<u>\$ 159,068</u>
\$ 15,965	\$ (1,043,408)	\$ 501,928	\$ (88,974)	\$ (1,825,462)	\$ 1,363,544
677,526	1,234,185	434,096	329,666	4,902,949	3,226,415
<u>\$ 693,492</u>	<u>\$ 190,777</u>	<u>\$ 936,024</u>	<u>\$ 240,692</u>	<u>\$ 3,077,487</u>	<u>\$ 4,589,959</u>
<u>\$ (80,556)</u>	<u>\$ 16,392,627</u>	<u>\$ 40,605</u>	<u>\$ 39,771</u>	<u>\$ 16,712,692</u>	<u>\$ 19,709,799</u>
\$ 64,668	\$ 56,472	\$ -	\$ -	\$ 351,325	\$ 288,335
(88,492)	(696,341)	437,248	-	(143,919)	(281,011)
-	-	-	(128,745)	(128,745)	9,903
(5,083)	142,334	-	-	55,632	(50,645)
(107,897)	-	-	-	(82,630)	(52,263)
921	276,262	-	-	(1,602,991)	1,428,943
(5,710)	10,703	-	-	21,479	(90,673)
-	1,040,789	-	-	1,040,789	0
-	-	-	-	20,122	9,292
-	150,129	-	-	150,129	(235,132)
(4,999)	11,588	-	-	6,589	57,550
-	-	-	-	365,103	0
(910)	-	-	-	(910)	(211)
<u>\$ (147,504)</u>	<u>\$ 991,936</u>	<u>\$ 437,248</u>	<u>\$ (128,745)</u>	<u>\$ 51,972</u>	<u>\$ 1,084,088</u>
<u>\$ (228,060)</u>	<u>\$ 17,384,563</u>	<u>\$ 477,853</u>	<u>\$ (88,974)</u>	<u>\$ 16,764,664</u>	<u>\$ 20,793,887</u>

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INTERNAL SERVICE FUNDS

STATE OF VERMONT
INTERNAL SERVICE FUNDS
COMBINING BALANCE SHEET
June 30, 2001
(With comparative totals for June 30, 2000)

	Highway Garage Fund	Offender Work Programs	Communi- cations & Information Technology	Supply Center Fund
ASSETS				
Current Assets:				
Cash and Cash Equivalents.....	\$ 1,042,336	\$ -	\$ -	\$ 566,850
Accounts Receivable.....	40,210	723,388	2,020,281	-
Loans Receivable.....	-	-	-	-
Accrued Interest Receivable.....	-	-	-	-
Due from Other Funds.....	-	-	-	-
Inventories, at cost.....	864,647	665,061	107,554	202,389
Prepaid Expenses.....	35,186	1,709	217,893	3,560
Total Current Assets.....	\$ 1,982,379	\$ 1,390,158	\$ 2,345,728	\$ 772,799
Restricted and Other Assets:				
Investment in Agri-Mark Cooperative.....	\$ -	\$ -	\$ -	\$ -
Loans Receivable.....	-	-	-	-
Imprest Fund-Advances From State Treasurer.....	-	15,100	-	-
Total Restricted and Other Assets.....	\$ 0	\$ 15,100	\$ 0	\$ 0
Fixed Assets:				
Machinery, Equipment and Buildings.....	\$ 33,765,031	\$ 1,842,927	\$ 2,606,798	\$ 143,178
Accumulated Depreciation.....	(16,887,899)	(1,263,202)	(2,396,907)	(115,961)
Net Machinery, Equipment and Buildings.....	\$ 16,877,132	\$ 579,725	\$ 209,891	\$ 27,217
Land.....	26,156	-	-	-
Total Fixed Assets.....	\$ 16,903,288	\$ 579,725	\$ 209,891	\$ 27,217
Total Assets.....	\$ 18,885,667	\$ 1,984,983	\$ 2,555,619	\$ 800,016
LIABILITIES AND FUND EQUITY				
Current Liabilities:				
Accounts Payable.....	\$ 181,888	\$ 80,012	\$ 881,817	\$ 127,978
Claims Payable.....	-	-	-	-
Deferred Income.....	-	-	106,260	-
Due to Other Funds.....	-	-	-	-
Interfund Payable.....	-	1,096,978	1,283,117	135,554
Accrued Salaries and Benefits.....	186,477	122,991	208,833	16,182
Capital Lease Payable-Current Portion.....	-	-	-	-
Total Current Liabilities.....	\$ 368,365	\$ 1,299,981	\$ 2,480,027	\$ 279,714
Liabilities Payable From Restricted Funds:				
Due To State Treasurer - Imprest Fund Advances.....	-	15,100	-	-
Non-Current Liabilities:				
Capital Lease Payable-Non-Current Portion.....	-	-	-	-
Total Liabilities.....	\$ 368,365	\$ 1,315,081	\$ 2,480,027	\$ 279,714
Fund Equity:				
Contributed Capital:				
Legislative Appropriations.....	\$ 10,522,552	\$ 20,000	\$ -	\$ -
Other Funds.....	2,071,963	124,629	-	83,487
Retained Earnings (Deficit).....	5,922,787	525,273	75,592	436,815
Total Fund Equity.....	\$ 18,517,302	\$ 669,902	\$ 75,592	\$ 520,302
Total Liabilities and Fund Equity.....	\$ 18,885,667	\$ 1,984,983	\$ 2,555,619	\$ 800,016

Copy Center Fund	Single Audit Revolving Fund	Medical Insurance Fund	Dental Insurance Fund	Life Insurance Fund	Postage Fund	Workers' Compensation Fund
\$ -	\$ -	\$ 5,316,885	\$ 497,941	\$ 1,012,906	\$ -	\$ 8,856,200
592,593	26,863	1,861,345	170,055	62,815	221,075	24,259
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	10,053
38,240	-	-	-	-	485,036	-
31,709	-	-	-	-	53,100	-
<u>\$ 662,542</u>	<u>\$ 26,863</u>	<u>\$ 7,178,230</u>	<u>\$ 667,996</u>	<u>\$ 1,075,721</u>	<u>\$ 759,211</u>	<u>\$ 8,890,512</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ 4,043,216	\$ -	\$ -	\$ -	\$ -	\$ 516,039	\$ -
(2,188,482)	-	-	-	-	(413,979)	-
\$ 1,854,734	\$ 0	\$ 0	\$ 0	\$ 0	\$ 102,060	\$ 0
-	-	-	-	-	-	-
<u>\$ 1,854,734</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 102,060</u>	<u>\$ 0</u>
<u>\$ 2,517,276</u>	<u>\$ 26,863</u>	<u>\$ 7,178,230</u>	<u>\$ 667,996</u>	<u>\$ 1,075,721</u>	<u>\$ 861,271</u>	<u>\$ 8,890,512</u>
\$ 100,614	\$ -	\$ 129,068	\$ 20,882	\$ 518	\$ 1,530	\$ 166,828
-	-	6,460,511	325,889	-	-	11,990,898
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,107,252	26,863	-	-	-	651,848	-
47,693	-	49,089	4,348	1,449	43,108	38,400
-	-	-	-	-	-	-
<u>\$ 1,255,559</u>	<u>\$ 26,863</u>	<u>\$ 6,638,668</u>	<u>\$ 351,119</u>	<u>\$ 1,967</u>	<u>\$ 696,486</u>	<u>\$ 12,196,126</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 1,255,559</u>	<u>\$ 26,863</u>	<u>\$ 6,638,668</u>	<u>\$ 351,119</u>	<u>\$ 1,967</u>	<u>\$ 696,486</u>	<u>\$ 12,196,126</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
62,119	-	-	-	-	22,723	-
1,199,598	-	539,562	316,877	1,073,754	142,062	(3,305,614)
<u>\$ 1,261,717</u>	<u>\$ 0</u>	<u>\$ 539,562</u>	<u>\$ 316,877</u>	<u>\$ 1,073,754</u>	<u>\$ 164,785</u>	<u>\$ (3,305,614)</u>
<u>\$ 2,517,276</u>	<u>\$ 26,863</u>	<u>\$ 7,178,230</u>	<u>\$ 667,996</u>	<u>\$ 1,075,721</u>	<u>\$ 861,271</u>	<u>\$ 8,890,512</u>

STATE OF VERMONT
INTERNAL SERVICE FUNDS
COMBINING BALANCE SHEET
June 30, 2001
(With comparative totals for June 30, 2000)

	State Liability Insurance Fund	Risk Management All-Other Fund	Property Management Fund
ASSETS			
Current Assets:			
Cash and Cash Equivalents.....	\$ 6,769,043	\$ -	\$ -
Accounts Receivable.....	14,968	400,495	165,566
Loans Receivable.....	-	-	-
Accrued Interest Receivable.....	-	-	-
Due from Other Funds.....	-	-	-
Inventories, at cost.....	-	63,400	-
Prepaid Expenses.....	-	-	-
Total Current Assets.....	\$ 6,784,011	\$ 463,895	\$ 165,566
Restricted and Other Assets:			
Investment in Agri-Mark Cooperative.....	\$ -	\$ -	\$ -
Loans Receivable.....	-	-	-
Imprest Fund-Advances From State Treasurer.....	-	-	-
Total Restricted and Other Assets.....	\$ 0	\$ 0	\$ 0
Fixed Assets:			
Machinery, Equipment and Buildings.....	\$ -	\$ 20,400	\$ 65,625
Accumulated Depreciation.....	-	(20,400)	(64,379)
Net Machinery, Equipment and Buildings.....	\$ 0	\$ 0	\$ 1,246
Land.....	-	-	-
Total Fixed Assets.....	\$ 0	\$ 0	\$ 1,246
Total Assets.....	\$ 6,784,011	\$ 463,895	\$ 166,812
LIABILITIES AND FUND EQUITY			
Current Liabilities:			
Accounts Payable.....	\$ 228,390	\$ 140	\$ 71,759
Claims Payable.....	6,732,286	-	-
Deferred Income.....	-	-	-
Due to Other Funds.....	10,053	-	-
Interfund Payable.....	-	418,738	2,087,965
Accrued Salaries and Benefits.....	5,174	-	72,167
Capital Lease Payable-Current Portion.....	-	-	-
Total Current Liabilities.....	\$ 6,975,903	\$ 418,878	\$ 2,231,891
Liabilities Payable From Restricted Funds:			
Due To State Treasurer - Imprest Fund Advances.....	-	-	-
Non-Current Liabilities:			
Capital Lease Payable-Non-Current Portion.....	-	-	-
Total Liabilities.....	\$ 6,975,903	\$ 418,878	\$ 2,231,891
Fund Equity:			
Contributed Capital:			
Legislative Appropriations.....	\$ -	\$ -	\$ -
Other Funds.....	-	-	-
Retained Earnings (Deficit).....	(191,892)	45,017	(2,065,079)
Total Fund Equity.....	\$ (191,892)	\$ 45,017	\$ (2,065,079)
Total Liabilities and Fund Equity.....	\$ 6,784,011	\$ 463,895	\$ 166,812

Equipment Revolving Fund	State Surplus Property Fund	Employee Assistance Plan	GOVNET Fund	Totals	
				June 30, 2001	Restated June 30, 2000
\$ -	\$ 132,399	\$ 58,869	\$ -	\$ 23,686,579	\$ 20,456,118
1,698,083	2,979	12,042	-	8,603,867	7,863,556
-	-	-	-	0	0
-	-	-	-	0	0
-	-	-	-	10,053	11,587
-	16,432	-	-	2,442,759	3,025,215
-	-	-	-	343,157	423,547
<u>\$ 1,698,083</u>	<u>\$ 151,810</u>	<u>\$ 70,911</u>	<u>\$ 0</u>	<u>\$ 35,086,415</u>	<u>\$ 31,780,023</u>
\$ -	\$ -	\$ -	\$ -	\$ 0	\$ 33
-	-	-	-	0	0
-	-	-	-	15,100	15,100
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 15,100</u>	<u>\$ 15,133</u>
\$ -	\$ 270	\$ -	\$ 174,811	\$ 43,178,295	\$ 40,919,499
-	(270)	-	(36,094)	(23,387,573)	(24,786,749)
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 138,717</u>	<u>\$ 19,790,722</u>	<u>\$ 16,132,750</u>
-	-	-	-	26,156	26,156
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 138,717</u>	<u>\$ 19,816,878</u>	<u>\$ 16,158,906</u>
<u>\$ 1,698,083</u>	<u>\$ 151,810</u>	<u>\$ 70,911</u>	<u>\$ 138,717</u>	<u>\$ 54,918,393</u>	<u>\$ 47,954,062</u>
\$ -	\$ 20,082	\$ -	\$ 169,489	\$ 2,180,995	\$ 1,977,948
-	-	-	-	25,509,584	21,087,118
-	-	-	-	106,260	265,000
3,811	-	-	-	13,864	14,883
1,694,272	-	-	53,806	8,556,393	7,157,822
-	5,339	-	34,517	835,767	861,717
-	-	-	-	0	918,033
<u>\$ 1,698,083</u>	<u>\$ 25,421</u>	<u>\$ 0</u>	<u>\$ 257,812</u>	<u>\$ 37,202,863</u>	<u>\$ 32,282,521</u>
-	-	-	-	15,100	15,100
-	-	-	-	0	0
<u>\$ 1,698,083</u>	<u>\$ 25,421</u>	<u>\$ 0</u>	<u>\$ 257,812</u>	<u>\$ 37,217,963</u>	<u>\$ 32,297,621</u>
\$ -	\$ -	\$ -	\$ -	\$ 10,542,552	\$ 10,542,552
-	16,432	-	-	2,381,353	2,264,960
-	109,957	70,911	(119,095)	4,776,525	2,848,929
<u>\$ 0</u>	<u>\$ 126,389</u>	<u>\$ 70,911</u>	<u>\$ (119,095)</u>	<u>\$ 17,700,430</u>	<u>\$ 15,656,441</u>
<u>\$ 1,698,083</u>	<u>\$ 151,810</u>	<u>\$ 70,911</u>	<u>\$ 138,717</u>	<u>\$ 54,918,393</u>	<u>\$ 47,954,062</u>

STATE OF VERMONT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN RETAINED EARNINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(With comparative totals for the fiscal year ended June 30, 2000)

	Highway Garage Fund	Offender Work Programs	Communi- cations & Information Technology	Supply Center Fund
Operating Revenues:				
Charges for Sales and Services.....	\$ 10,062,431	\$ 2,901,866	\$ 9,829,552	\$ 3,272,692
Rental Income.....	192,067	-	-	-
Other Operating Revenues.....	28,726	6,040	-	-
Total Operating Revenues.....	\$ 10,283,224	\$ 2,907,906	\$ 9,829,552	\$ 3,272,692
Operating Expenses:				
Cost of Sales and Services.....	\$ 4,308,156	\$ 971,418	\$ 4,980,191	\$ 2,819,031
Claims Expense.....	-	-	-	-
Salaries and Benefits.....	430,228	1,273,200	2,507,809	222,454
Supplies and Parts.....	-	151,685	168,032	15,486
Data Processing Charges.....	-	-	192,900	11,415
Transportation.....	-	-	215	518
Telephone/Telegraph.....	-	-	222,909	3,535
Postage.....	-	-	2,331	2,869
Printing and Duplicating.....	-	-	24,294	2,904
Rental of Data Processing Equipment.....	-	-	621,765	2,091
Other Equipment Rentals.....	-	-	400	162
Equipment Purchased for Agencies.....	-	-	97,611	2,039
Repairs and Maintenance.....	914,038	-	490,240	16,367
Administrative Services Costs.....	-	-	186,280	46,317
Operating Overhead.....	885,495	-	-	-
Office Rent.....	-	-	118,706	56,150
Depreciation of Equipment.....	2,506,753	287,554	394,562	1,921
Contractual Fees.....	-	-	-	-
Insurance Premium Expense.....	-	-	15,405	3,472
Loss on Bad Debts.....	-	-	37,694	1,396
Other Operating Expenses.....	33,171	370,846	160,814	5,636
Total Operating Expenses.....	\$ 9,077,841	\$ 3,054,703	\$ 10,222,158	\$ 3,213,763
Operating Income(Loss).....	\$ 1,205,383	\$ (146,797)	\$ (392,606)	\$ 58,929
Non-Operating Revenues(Expenses):				
Gain(Loss) on Disposal of Fixed Assets.....	\$ 226,823	\$ (9,328)	\$ -	\$ -
Interest Expense.....	-	-	-	-
Interest Income.....	-	-	-	-
Total Non-Operating Revenues(Expenses).....	\$ 226,823	\$ (9,328)	\$ 0	\$ 0
Income (Loss) Before Operating Transfers.....	\$ 1,432,206	\$ (156,125)	\$ (392,606)	\$ 58,929
Operating Transfers In.....	4,450,000	-	-	-
Operating Transfers Out.....	-	-	-	-
Net Income(Loss).....	\$ 5,882,206	\$ (156,125)	\$ (392,606)	\$ 58,929
Retained Earnings, July 1, as restated.....	40,581	681,398	468,198	377,886
Retained Earnings, June 30.....	\$ 5,922,787	\$ 525,273	\$ 75,592	\$ 436,815

Copy Center Fund	Single Audit Revolving Fund	Medical Insurance Fund	Dental Insurance Fund	Life Insurance Fund	Postage Fund	Workers' Compensation Fund
\$ 2,700,350	\$ 900,812	\$ 56,284,821	\$ 3,943,006	\$ 1,670,477	\$ 2,970,321	\$ 4,800,085
-	-	-	-	-	-	-
-	-	117,969	100	-	-	-
<u>\$ 2,700,350</u>	<u>\$ 900,812</u>	<u>\$ 56,402,790</u>	<u>\$ 3,943,106</u>	<u>\$ 1,670,477</u>	<u>\$ 2,970,321</u>	<u>\$ 4,800,085</u>
\$ 401,778	\$ 900,812	\$ -	\$ -	\$ -	\$ 2,354,136	\$ 1,723
-	-	31,122,193	3,717,131	-	-	7,470,814
540,077	-	574,399	49,089	16,363	497,404	755,141
21,077	-	52,730	651	277	15,291	8,278
800	-	809	21	7	901	47,827
1,447	-	11,541	-	-	15	158
3,078	-	9,324	1,076	359	4,143	5,752
864	-	42,605	538	179	1,596	2,028
5,899	-	18,862	640	213	1,498	7,027
2,091	-	-	-	-	2,091	-
886	-	-	-	-	162	-
137,351	-	-	-	-	3,597	8,359
496,955	-	1,704	46	15	77,558	117
46,317	-	2,706,887	230,959	-	46,317	43,027
-	-	9,848	-	-	-	-
24,063	-	33,077	5,996	2,005	12,865	9,375
505,698	-	-	-	-	104,446	5,357
-	-	378,745	-	-	-	-
3,472	-	20,622,851	82	1,437,769	4,326	1,736
2,495	-	-	-	-	4,750	-
11,466	-	26,581	1,347	448	17,794	176,574
<u>\$ 2,205,814</u>	<u>\$ 900,812</u>	<u>\$ 55,612,156</u>	<u>\$ 4,007,576</u>	<u>\$ 1,457,635</u>	<u>\$ 3,148,890</u>	<u>\$ 8,543,293</u>
<u>\$ 494,536</u>	<u>\$ 0</u>	<u>\$ 790,634</u>	<u>\$ (64,470)</u>	<u>\$ 212,842</u>	<u>\$ (178,569)</u>	<u>\$ (3,743,208)</u>
\$ 1,426	\$ -	\$ -	\$ -	\$ -	\$ 1,300	\$ -
-	-	-	-	-	-	-
-	-	265,821	25,556	42,204	-	521,946
<u>\$ 1,426</u>	<u>\$ 0</u>	<u>\$ 265,821</u>	<u>\$ 25,556</u>	<u>\$ 42,204</u>	<u>\$ 1,300</u>	<u>\$ 521,946</u>
\$ 495,962	\$ 0	\$ 1,056,455	\$ (38,914)	\$ 255,046	\$ (177,269)	\$ (3,221,262)
-	-	-	-	-	169,571	-
-	-	-	-	-	-	-
\$ 495,962	\$ 0	\$ 1,056,455	\$ (38,914)	\$ 255,046	\$ (7,698)	\$ (3,221,262)
703,636	0	(516,893)	355,791	818,708	149,760	(84,352)
<u>\$ 1,199,598</u>	<u>\$ 0</u>	<u>\$ 539,562</u>	<u>\$ 316,877</u>	<u>\$ 1,073,754</u>	<u>\$ 142,062</u>	<u>\$ (3,305,614)</u>

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STATE OF VERMONT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN RETAINED EARNINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(With comparative totals for the fiscal year ended June 30, 2000)

	State Liability Insurance Fund	Risk Management All-Other Fund	Property Management Fund
Operating Revenues:			
Charges for Sales and Services.....	\$ 2,716,898	\$ 1,156,943	\$ -
Rental Income.....	-	-	8,730,795
Other Operating Revenues.....	-	-	-
Total Operating Revenues.....	\$ 2,716,898	\$ 1,156,943	\$ 8,730,795
Operating Expenses:			
Cost of Sales and Services.....	\$ 250,000	\$ 1,116,686	\$ 6,630,886
Claims Expense.....	3,020,229	-	-
Salaries and Benefits.....	163,239	22,261	629,128
Supplies and Parts.....	1,894	2,567	1,661
Data Processing Charges.....	14,036	3,212	17,589
Transportation.....	25	319	-
Telephone/Telegraph.....	2,374	1,481	2,615
Postage.....	584	146	333
Printing and Duplicating.....	2,042	1,530	366
Rental of Data Processing Equipment.....	-	-	-
Other Equipment Rentals.....	-	46	-
Equipment Purchased for Agencies.....	647	259	40
Repairs and Maintenance.....	30	7	165
Administrative Services Costs.....	43,027	6,617	316,969
Operating Overhead.....	-	-	-
Office Rent.....	2,500	625	4,063
Depreciation of Equipment.....	-	-	43,837
Contractual Fees.....	-	-	-
Insurance Premium Expense.....	463	-	1,706
Loss on Bad Debts.....	-	68	-
Other Operating Expenses.....	334,286	5,632	20,060
Total Operating Expenses.....	\$ 3,835,376	\$ 1,161,456	\$ 7,669,418
Operating Income(Loss).....	\$ (1,118,478)	\$ (4,513)	\$ 1,061,377
Non-Operating Revenues(Expenses):			
Gain(Loss) on Disposal of Fixed Assets.....	\$ -	\$ -	\$ -
Interest Expense.....	-	-	-
Interest Income.....	327,954	-	-
Total Non-Operating Revenues(Expenses).....	\$ 327,954	\$ 0	\$ 0
Income (Loss) Before Operating Transfers.....	\$ (790,524)	\$ (4,513)	\$ 1,061,377
Operating Transfers In.....	-	-	-
Operating Transfers Out.....	-	-	(2,388,348)
Net Income(Loss).....	\$ (790,524)	\$ (4,513)	\$ (1,326,971)
Retained Earnings, July 1, as restated.....	598,632	49,530	(738,108)
Retained Earnings, June 30.....	\$ (191,892)	\$ 45,017	\$ (2,065,079)

Equipment Revolving Fund	State Surplus Property Fund	Employee Assistance Program	GOVNET Fund	Totals	
				2001	Restated 2000
\$ 1,274,061	\$ 1,088,291	\$ 295,123	\$ 1,516,134	\$ 107,383,863	\$ 87,335,327
-	-	-	-	8,922,862	9,755,073
-	-	-	-	152,835	214,661
<u>\$ 1,274,061</u>	<u>\$ 1,088,291</u>	<u>\$ 295,123</u>	<u>\$ 1,516,134</u>	<u>\$ 116,459,560</u>	<u>\$ 97,305,061</u>
\$ -	\$ 995,406	\$ -	\$ 973,070	\$ 26,703,293	\$ 26,360,428
-	-	-	-	45,330,367	37,608,247
-	43,619	-	349,457	8,073,868	6,455,180
-	1,236	-	3,513	444,378	439,368
-	-	-	2,240	291,757	443,796
-	-	-	-	14,238	18,524
-	1,469	-	2,124	260,239	108,343
-	-	-	124	54,197	46,320
-	-	-	-	65,275	40,632
-	-	-	-	628,038	479,119
-	-	-	-	1,656	5,003
1,270,250	-	-	-	1,520,153	876,472
-	501	-	46,328	2,044,071	1,867,508
3,811	3,327	265,648	-	3,945,503	3,700,025
-	-	-	-	895,343	1,437,200
-	9,344	-	10,351	289,120	272,969
-	-	-	36,094	3,886,222	3,562,285
-	-	-	-	378,745	613,428
-	215	-	-	22,091,497	16,523,099
-	-	-	-	46,403	33,158
-	3,026	-	34,847	1,202,528	715,283
<u>\$ 1,274,061</u>	<u>\$ 1,058,143</u>	<u>\$ 265,648</u>	<u>\$ 1,458,148</u>	<u>\$ 118,166,891</u>	<u>\$ 101,606,387</u>
\$ 0	\$ 30,148	\$ 29,475	\$ 57,986	\$ (1,707,331)	\$ (4,301,326)
\$ -	\$ -	\$ -	\$ -	\$ 220,221	\$ 181,586
-	-	-	-	0	(54,952)
-	-	-	-	1,183,481	1,228,802
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,403,702</u>	<u>\$ 1,355,436</u>
\$ 0	\$ 30,148	\$ 29,475	\$ 57,986	\$ (303,629)	\$ (2,945,890)
-	-	-	-	4,619,571	138,085
-	-	-	-	(2,388,348)	(2,389,948)
\$ 0	\$ 30,148	\$ 29,475	\$ 57,986	\$ 1,927,594	\$ (5,197,753)
0	79,809	41,436	(177,081)	2,848,931	8,046,682
<u>\$ 0</u>	<u>\$ 109,957</u>	<u>\$ 70,911</u>	<u>\$ (119,095)</u>	<u>\$ 4,776,525</u>	<u>\$ 2,848,929</u>

STATE OF VERMONT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(With comparative totals for the fiscal year ended June 30, 2000)

	Highway Garage Fund	Offender Work Programs	Communication and Information Technology	Supply Center Fund
Cash Flows From Operating Activities:				
Cash Received From Customers.....	\$ 10,144,615	\$ 2,626,072	\$ 9,596,248	\$ 2,996,960
Cash Paid to Suppliers for Goods and Services.....	(4,363,578)	(1,170,830)	(8,691,871)	(2,930,918)
Cash Paid to Employees for Services.....	(2,018,571)	(1,333,556)	(2,467,010)	(220,582)
Cash Paid to Claimants.....	-	-	-	-
Other Operating Revenues.....	117,325	6,040	-	-
Other Operating Expenses.....	(226,823)	(370,846)	-	-
Net Cash Provided(Used) by Operating Activities.....	\$ 3,652,968	\$ (243,120)	\$ 437,367	\$ (154,540)
Cash Flows From Noncapital Financing Activities:				
Interfund Loans.....	\$ -	\$ 1,096,978	\$ (241,767)	\$ 154,540
Operating Transfers.....	4,450,000	-	-	-
Net Cash Provided (Used) by Noncapital Financing Activities.....	\$ 4,450,000	\$ 1,096,978	\$ (241,767)	\$ 154,540
Cash Flows From Capital and Related Financing Activities:				
Proceeds From Sale of Fixed Assets.....	\$ 771,308	\$ -	\$ -	\$ -
Interest Paid.....	-	-	-	-
Principal Paid on Capital Leases.....	-	-	-	-
Acquisition and Construction of Fixed Assets.....	(7,553,278)	(176,283)	(195,600)	-
Net Cash Provided(Used) by Capital & Related Financing Activities.....	\$ (6,781,970)	\$ (176,283)	\$ (195,600)	\$ 0
Cash Flows From Investing Activities:				
Interest Earned on Investments.....	\$ -	\$ -	\$ -	\$ -
Net Cash Provided by Investing Activities.....	\$ 0	\$ -	\$ 0	\$ 0
Net Increase(Decrease) in Cash and Cash Equivalents.....	\$ 1,320,998	\$ 677,575	\$ 0	\$ 0
Cash and Cash Equivalents at July 1.....	(278,662)	(677,575)	0	0
Cash and Cash Equivalents at June 30.....	\$ 1,042,336	\$ 0	\$ 0	\$ 0
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:				
Operating Income (Loss).....	\$ 1,205,383	\$ (146,797)	\$ (392,606)	\$ 58,929
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation.....	\$ 2,506,753	\$ 287,554	\$ 394,562	\$ 1,921
(Increase)Decrease in Accounts Receivable.....	(13,664)	(275,794)	19,111	(274,270)
(Increase)Decrease in Due from Other Funds.....	-	-	-	-
(Increase)Decrease in Prepaid Expenses.....	(14,446)	5,554	105,617	(1,020)
(Increase)Decrease in Inventory.....	112,795	(29,699)	31,418	26,878
Increase(Decrease) in Accounts Payable.....	(155,578)	(23,582)	441,709	31,151
Increase(Decrease) in Claims Payable.....	-	-	-	-
Increase(Decrease) in Due to Other Funds.....	-	-	(2,219)	-
Increase(Decrease) in Interfund Payable.....	-	-	-	-
Increase(Decrease) in Accrued Salaries and Benefits.....	11,725	(60,356)	(1,485)	1,871
Increase(Decrease) in Deferred Income.....	-	-	(158,740)	-
Total Adjustments.....	\$ 2,447,585	\$ (96,323)	\$ 829,973	\$ (213,469)
Net Cash Provided(Used) by Operating Activities.....	\$ 3,652,968	\$ (243,120)	\$ 437,367	\$ (154,540)

Copy Center Fund	Single Audit Revolving Fund	Medical Insurance Fund	Dental Insurance Fund	Life Insurance Fund	Postage Fund	Workers' Compensation Fund
\$ 2,830,331	\$ 883,034	\$ 56,388,390	\$ 3,913,437	\$ 1,662,308	\$ 3,039,682	\$ 4,923,194
(1,193,033)	(900,812)	(23,878,300)	(239,504)	(1,440,740)	(2,555,374)	(622,294)
(537,974)	-	(568,234)	(48,300)	(16,100)	(507,189)	(361,967)
-	-	(30,178,494)	(3,646,996)	-	-	(5,652,123)
-	-	-	-	-	-	-
-	-	(17,502)	(133)	(44)	-	-
<u>\$ 1,099,324</u>	<u>\$ (17,778)</u>	<u>\$ 1,745,860</u>	<u>\$ (21,496)</u>	<u>\$ 205,424</u>	<u>\$ (22,861)</u>	<u>\$ (1,713,190)</u>
\$ (261,995)	\$ 17,778	\$ -	\$ -	\$ -	\$ (79,539)	\$ -
-	-	-	-	-	169,571	-
<u>\$ (261,995)</u>	<u>\$ 17,778</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 90,032</u>	<u>\$ 0</u>
\$ 1,426	\$ -	\$ -	\$ -	\$ -	\$ 1,300	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(838,755)	-	-	-	-	(68,471)	-
<u>\$ (837,329)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (67,171)</u>	<u>\$ 0</u>
\$ -	\$ -	\$ 265,821	\$ 25,556	\$ 42,204	\$ -	\$ 521,946
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 265,821</u>	<u>\$ 25,556</u>	<u>\$ 42,204</u>	<u>\$ 0</u>	<u>\$ 521,946</u>
\$ 0	\$ 0	\$ 2,011,681	\$ 4,060	\$ 247,628	\$ 0	\$ (1,191,244)
0	0	3,305,204	493,881	765,278	0	10,047,444
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,316,885</u>	<u>\$ 497,941</u>	<u>\$ 1,012,906</u>	<u>\$ 0</u>	<u>\$ 8,856,200</u>
\$ 494,536	\$ 0	\$ 790,634	\$ (64,470)	\$ 212,842	\$ (178,569)	\$ (3,743,208)
\$ 505,698	\$ -	\$ -	\$ -	\$ -	\$ 104,446	\$ 5,357
27,920	(17,778)	(7,710)	(29,669)	(8,169)	74,111	112,947
-	-	-	-	-	-	1,384
(15,465)	-	-	-	-	150	-
(8,206)	-	-	-	-	(12,344)	-
92,736	-	13,072	1,719	488	(890)	122,878
-	-	943,699	70,135	-	-	1,784,203
-	-	-	-	-	-	-
-	-	-	-	-	-	-
2,105	-	6,165	789	263	(9,765)	3,249
-	-	-	-	-	-	-
<u>\$ 604,788</u>	<u>\$ (17,778)</u>	<u>\$ 955,228</u>	<u>\$ 42,974</u>	<u>\$ (7,418)</u>	<u>\$ 155,708</u>	<u>\$ 2,030,018</u>
<u>\$ 1,099,324</u>	<u>\$ (17,778)</u>	<u>\$ 1,745,860</u>	<u>\$ (21,496)</u>	<u>\$ 205,424</u>	<u>\$ (22,861)</u>	<u>\$ (1,713,190)</u>

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STATE OF VERMONT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(With comparative totals for the fiscal year ended June 30, 2000)

	State Liability Insurance Fund	Risk Management All-Other Fund	Property Management Fund
Cash Flows From Operating Activities:			
Cash Received From Customers.....	\$ 2,844,995	\$ 1,200,306	\$ 8,703,851
Cash Paid to Suppliers for Goods and Services.....	(681,949)	(1,207,775)	(6,939,263)
Cash Paid to Employees for Services.....	(175,371)	(26,910)	(600,997)
Cash Paid to Claimants.....	(1,262,706)	-	-
Other Operating Revenues.....	-	-	-
Other Operating Expenses.....	-	-	-
Net Cash Provided(Used) by Operating Activities.....	\$ 724,969	\$ (34,379)	\$ 1,163,591
Cash Flows From Noncapital Financing Activities:			
Interfund Loans.....	\$ -	\$ 34,379	\$ 1,224,757
Operating Transfers.....	-	-	(2,388,348)
Net Cash Provided (Used) by Noncapital Financing Activities.....	\$ 0	\$ 34,379	\$ (1,163,591)
Cash Flows From Capital and Related Financing Activities:			
Proceeds From Sale of Fixed Assets.....	\$ -	\$ -	\$ -
Interest Paid.....	-	-	-
Principal Paid on Capital Leases.....	-	-	-
Acquisition and Construction of Fixed Assets.....	-	-	-
Net Cash Provided(Used) by Capital & Related Financing Activities.....	\$ 0	\$ 0	\$ 0
Cash Flows From Investing Activities:			
Interest Earned on Investments.....	\$ 327,954	\$ -	\$ -
Net Cash Provided by Investing Activities.....	\$ 327,954	\$ 0	\$ 0
Net Increase(Decrease) in Cash and Cash Equivalents.....	\$ 1,052,923	\$ 0	\$ 0
Cash and Cash Equivalents at July 1.....	5,716,120	0	0
Cash and Cash Equivalents at June 30.....	\$ 6,769,043	\$ 0	\$ 0
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating Income (Loss).....	\$ (1,118,478)	\$ (4,513)	\$ 1,061,377
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation.....	\$ -	\$ -	\$ 43,837
(Increase)Decrease in Accounts Receivable.....	128,096	43,431	(19,072)
(Increase)Decrease in Due from Other Funds.....	-	-	-
(Increase)Decrease in Prepaid Expenses.....	-	-	-
(Increase)Decrease in Inventory.....	-	478,046	-
Increase(Decrease) in Accounts Payable.....	91,906	(551,343)	49,319
Increase(Decrease) in Claims Payable.....	1,624,429	-	-
Increase(Decrease) in Due to Other Funds.....	(1,384)	-	-
Increase(Decrease) in Interfund Payable.....	-	-	-
Increase(Decrease) in Accrued Salaries and Benefits.....	400	-	17,957
Increase(Decrease) in Deferred Income.....	-	-	10,173
Total Adjustments.....	\$ 1,843,447	\$ (29,866)	\$ 102,214
Net Cash Provided(Used) by Operating Activities.....	\$ 724,969	\$ (34,379)	\$ 1,163,591

Equipment Revolving Fund	State Surplus Property Fund	Employees Assistance Fund	GOVNET Fund	Totals	
				2001	Restated 2000
\$ 780,339	\$ 1,051,620	\$ 293,444	\$ 1,516,134	\$ 115,394,960	\$ 97,093,262
(1,271,327)	(953,922)	(265,648)	(1,075,693)	(58,382,831)	(52,954,117)
-	(43,431)	-	(358,681)	(9,284,853)	(8,715,134)
-	-	-	-	(40,740,319)	(36,355,640)
-	-	-	-	123,365	406,123
-	-	-	-	(615,348)	(439,008)
<u>\$ (490,988)</u>	<u>\$ 54,267</u>	<u>\$ 27,796</u>	<u>\$ 81,760</u>	<u>\$ 6,494,974</u>	<u>\$ (964,514)</u>
\$ 490,988	\$ -	\$ -	\$ 53,806	\$ 2,489,925	\$ 2,404,169
-	-	-	(10,351)	2,220,872	(3,148,635)
<u>\$ 490,988</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 43,455</u>	<u>\$ 4,710,797</u>	<u>\$ (744,466)</u>
\$ -	\$ -	\$ -	\$ -	\$ 774,034	\$ 412,146
-	-	-	-	0	(54,953)
-	-	-	-	0	(1,025,944)
-	-	-	-	(8,832,387)	(2,953,772)
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (8,058,353)</u>	<u>\$ (3,622,523)</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,183,481	\$ 1,228,802
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,183,481</u>	<u>\$ 1,228,802</u>
\$ 0	\$ 54,267	\$ 27,796	\$ 125,215	\$ 4,330,899	\$ (4,102,701)
0	78,132	31,073	(125,215)	19,355,660	24,558,819
<u>\$ 0</u>	<u>\$ 132,399</u>	<u>\$ 58,869</u>	<u>\$ 0</u>	<u>\$ 23,686,579</u>	<u>\$ 20,456,118</u>
\$ 0	\$ 30,148	\$ 29,475	\$ 57,986	\$ (1,707,331)	\$ (4,301,326)
\$ -	\$ -	\$ -	\$ 34,196	\$ 3,884,324	\$ 3,562,285
(493,721)	4,685	(1,679)	-	(731,225)	649,985
150	-	-	-	1,534	380
-	-	-	-	80,390	(237,520)
-	-	-	-	598,888	(748,492)
-	19,248	-	70,211	203,044	(1,512,276)
-	-	-	-	4,422,466	1,471,681
2,583	-	-	-	(1,020)	11,950
-	-	-	(71,409)	(71,409)	0
-	186	-	(9,224)	(36,120)	(75,881)
-	-	-	-	(148,567)	214,700
<u>\$ (490,988)</u>	<u>\$ 24,119</u>	<u>\$ (1,679)</u>	<u>\$ 23,774</u>	<u>\$ 8,202,305</u>	<u>\$ 3,336,812</u>
<u>\$ (490,988)</u>	<u>\$ 54,267</u>	<u>\$ 27,796</u>	<u>\$ 81,760</u>	<u>\$ 6,494,974</u>	<u>\$ (964,514)</u>

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FIDUCIARY FUNDS

STATE OF VERMONT
COMBINING BALANCE SHEET-ALL FIDUCIARY FUNDS
June 30, 2001
(With comparative totals for June 30, 2000)

	Pension Trust Funds	Nonexpendable Trust Funds
ASSETS		
Cash and Cash Equivalents.....	\$ 52,866,908	\$ 1,030,513
Investments at Fair Value.....	2,376,463,212	7,138,543
Receivables:		
Taxes.....	-	-
Contributions.....	3,938,443	-
Investment Principal and Interest.....	12,646,282	-
Other.....	124,506,965	-
Due From Other Funds.....	-	-
Total Assets.....	\$ 2,570,421,810	\$ 8,169,056
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable.....	\$ 2,457,075	\$ -
Unemployment Compensation Benefits Payable.....	-	-
Claims Payable.....	-	-
Due to Other Funds.....	-	-
Interfund Loans Payable.....	-	-
Due to Depositories.....	-	-
Intergovernment Payable - Other Governments..	-	-
Amounts Held in Custody for Others.....	-	-
Other Liabilities.....	159,935,925	-
Total Liabilities.....	\$ 162,393,000	\$ 0
Fund Balances:		
Reserved for Endowments, Claims and Distributions.....	\$ -	\$ 7,416,453
Reserved for Pension Benefits.....	2,408,028,810	-
Reserved for Unemployment Compensation Benefits.....	-	-
Reserved for Contingencies.....	-	-
Unreserved, Undesignated.....	-	752,603
Total Fund Balances.....	\$ 2,408,028,810	\$ 8,169,056
Total Liabilities and Fund Balances.....	\$ 2,570,421,810	\$ 8,169,056

Expendable Trust Funds	Agency Fund	Totals	
		June 30, 2001	June 30, 2000
\$ 317,730,852	\$ 12,992,621	\$ 384,620,894	\$ 379,090,050
19,382,004		2,402,983,759	2,510,926,723
9,541,299	212,425	9,753,724	11,624,421
-	-	3,938,443	5,628,539
-	-	12,646,282	12,987,120
23,548	238,088	124,768,601	132,343,954
45,728	-	45,728	25,972
<u>\$ 346,723,431</u>	<u>\$ 13,443,135</u>	<u>\$ 2,938,757,432</u>	<u>\$ 3,052,626,779</u>
\$ 413,330	\$ -	\$ 2,870,405	\$ 5,105,677
2,040,233	-	2,040,233	1,079,466
1,918,691	-	1,918,691	1,353,862
33,040	4,671,804	4,704,844	209,595
-	238,088	238,088	1,578,807
-	7,540	7,540	2,450,393
-	212,425	212,425	201,284
-	5,814,196	5,814,196	5,682,362
-	2,499,082	162,435,007	156,083,527
<u>\$ 4,405,294</u>	<u>\$ 13,443,135</u>	<u>\$ 180,241,429</u>	<u>\$ 173,744,973</u>
\$ 25,370,433	\$ -	\$ 32,786,886	\$ 23,812,328
-	-	2,408,028,810	2,550,112,716
316,719,440	-	316,719,440	304,332,086
228,264	-	228,264	211,598
-	-	752,603	413,078
<u>\$ 342,318,137</u>	<u>\$ 0</u>	<u>\$ 2,758,516,003</u>	<u>\$ 2,878,881,806</u>
<u>\$ 346,723,431</u>	<u>\$ 13,443,135</u>	<u>\$ 2,938,757,432</u>	<u>\$ 3,052,626,779</u>

**STATE OF VERMONT
PENSION TRUST FUNDS
COMBINING STATEMENTS OF PLAN NET ASSETS
June 30, 2001
(With comparative totals for June 30, 2000)**

	Vermont State Retirement System	Vermont State Defined Contribution Plan	State Teachers' Retirement Fund
Assets:			
Cash and Short Term Receivables.....	\$ 41,030,572	\$ 258,487	\$ 1,705,308
Receivables:			
Contributions.....	\$ 1,234,315	\$ 73,959	\$ 1,553,926
Investment.....	3,855,229	-	6,984,369
Other.....	104,154,683	-	15,070,562
Total Receivables.....	\$ 109,244,227	\$ 73,959	\$ 23,608,857
Investments at Fair value:			
Fixed Income.....	\$ 249,107,432	\$ -	\$ 373,753,691
Common and Preferred Stock.....	570,209,768	-	635,131,525
Mortgages.....	49,507	-	42,066
Real Estate/ Venture Capital.....	102,249,324	-	119,943,945
Mutual Funds.....	12,389,256	27,673,640	-
Total Investments.....	\$ 934,005,287	\$ 27,673,640	\$ 1,128,871,227
Total Assets.....	\$ 1,084,280,086	\$ 28,006,086	\$ 1,154,185,392
Liabilities:			
Accounts Payable- Investment.....	\$ 120,464,904	\$ -	\$ 14,344,147
Accounts Payable- Other.....	870,733	69,043	1,293,238
Total Liabilities.....	\$ 121,335,637	\$ 69,043	\$ 15,637,385
Net assets (at fair value) held in trust for pension benefits.....	\$ 962,944,449	\$ 27,937,043	\$ 1,138,548,007

Single Deposit Investment Account	Vermont Municipal Employees' Retirement Fund	Vermont Municipal Employees' Defined Contribution Fund	Totals	
			June 30, 2001	June 30, 2000
\$ 5,193,386	\$ 4,661,670	\$ 17,485	\$ 52,866,908	\$ 50,056,787
\$ -	\$ 1,076,243	\$ -	\$ 3,938,443	\$ 5,628,539
1,195,851	610,833	-	12,646,282	12,987,120
-	5,281,720	-	124,506,965	130,643,020
<u>\$ 1,195,851</u>	<u>\$ 6,968,796</u>	<u>\$ 0</u>	<u>\$ 141,091,690</u>	<u>\$ 149,258,679</u>
\$ 98,329,591	\$ 67,539,769	\$ -	\$ 788,730,483	\$ 649,474,419
-	29,470,303	-	1,234,811,596	1,525,897,411
-	-	-	91,573	230,617
-	13,611,235	-	235,804,504	219,184,780
-	72,917,499	4,044,661	117,025,056	115,739,101
<u>\$ 98,329,591</u>	<u>\$ 183,538,806</u>	<u>\$ 4,044,661</u>	<u>\$ 2,376,463,212</u>	<u>\$ 2,510,526,328</u>
<u>\$ 104,718,828</u>	<u>\$ 195,169,272</u>	<u>\$ 4,062,146</u>	<u>\$ 2,570,421,810</u>	<u>\$ 2,709,841,794</u>
\$ 2,004,375	\$ 23,122,499	\$ -	\$ 159,935,925	\$ 155,080,576
-	224,061	-	2,457,075	4,648,502
<u>\$ 2,004,375</u>	<u>\$ 23,346,560</u>	<u>\$ 0</u>	<u>\$ 162,393,000</u>	<u>\$ 159,729,078</u>
<u>\$ 102,714,453</u>	<u>\$ 171,822,712</u>	<u>\$ 4,062,146</u>	<u>\$ 2,408,028,810</u>	<u>\$ 2,550,112,716</u>

**STATE OF VERMONT
PENSION TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN PLAN NET ASSETS
For the Fiscal Year Ended June 30, 2001
(With comparative totals for the fiscal year ended June 30, 2000)**

	Vermont State Retirement System	Vermont State Defined Contribution Plan	State Teachers' Retirement System
Additions :			
<u>Contributions</u>			
Employer.....	\$ 19,548,598	\$ 1,310,089	\$ 19,143,827
Plan Member.....	10,845,315	534,168	16,350,020
Transfers from Other Pension Trust Funds....	532,115	1,484,501	296,005
Other Contributions.....	-	91,773	-
Total Contributions.....	\$ 30,926,028	\$ 3,420,531	\$ 35,789,852
<u>Investment Income:</u>			
Net Appreciation (Depreciation) in			
Fair value of Investments.....	\$ (101,396,640)	\$ (6,229,364)	\$ (69,613,750)
Dividends.....	8,774,116	2,039,015	10,798,960
Interest Income.....	16,754,152	11,097	23,645,229
Securities Lending Income.....	8,900,414	-	8,410,724
Other Income.....	601,787	-	481,746
Total Investment Income.....	\$ (66,366,171)	\$ (4,179,252)	\$ (26,277,091)
Less Investment Expenses			
Investment Managers and Consultants.....	\$ 3,876,488	\$ 479	\$ 4,566,260
Securities Lending Expenses.....	8,451,977	-	7,967,371
Total Investment Expenses.....	\$ 12,328,465	\$ 479	\$ 12,533,631
Net Investment Income.....	\$ (78,694,636)	\$ (4,179,731)	\$ (38,810,722)
Total Additions.....	\$ (47,768,608)	\$ (759,200)	\$ (3,020,870)
Deductions:			
Retirement Allowances.....	\$ 36,511,326	\$ 530,431	\$ 42,526,838
Refunds of Contributions.....	810,620	-	1,049,917
Death Claims.....	56,764	-	39,486
Transfers to Other Pension Trust Funds.....	1,760,166	-	441,354
Operating Expenses.....	9,037,635	69,043	4,871,708
Total Deductions.....	\$ 48,176,511	\$ 599,474	\$ 48,929,303
Net Increase.....	\$ (95,945,119)	\$ (1,358,674)	\$ (51,950,173)
Net Assets Held In Trust For Pension Benefits:			
Beginning of Year	1,058,889,568	29,295,717	1,190,498,180
End of Year.....	\$ 962,944,449	\$ 27,937,043	\$ 1,138,548,007

Single Investment Deposit Account	Vermont Municipal Employees' Retirement System	Vermont Municipal Employees' Defined Contribution Fund	Totals	
			June 30, 2001	June 30, 2000
\$ -	\$ 4,571,993	\$ 281,482	\$ 44,855,989	\$ 43,534,765
-	4,006,523	281,482	32,017,508	28,595,341
-	211,441	4,098,318	6,622,380	4,064,338
-	-	1,222	92,995	268,639
<u>\$ 0</u>	<u>\$ 8,789,957</u>	<u>\$ 4,662,504</u>	<u>\$ 83,588,872</u>	<u>\$ 76,463,083</u>
\$ 2,997,785	\$ (4,127,407)	\$ (628,265)	\$ (178,997,641)	\$ 159,882,138
-	1,463,033	212,011	23,287,135	23,196,487
7,152,576	3,868,700	1,233	51,432,987	45,981,918
-	4,191	-	17,315,329	2,845,690
33,588	5,327	-	1,122,448	136,910
<u>\$ 10,183,949</u>	<u>\$ 1,213,844</u>	<u>\$ (415,021)</u>	<u>\$ (85,839,742)</u>	<u>\$ 232,043,143</u>
\$ 402,174	\$ 703,266	\$ -	\$ 9,548,667	\$ 8,933,123
-	3,849	-	16,423,197	2,685,964
<u>\$ 402,174</u>	<u>\$ 707,115</u>	<u>\$ 0</u>	<u>\$ 25,971,864</u>	<u>\$ 11,619,087</u>
<u>\$ 9,781,775</u>	<u>\$ 506,729</u>	<u>\$ (415,021)</u>	<u>\$ (111,811,606)</u>	<u>\$ 220,424,056</u>
<u>\$ 9,781,775</u>	<u>\$ 9,296,686</u>	<u>\$ 4,247,483</u>	<u>\$ (28,222,734)</u>	<u>\$ 296,887,139</u>
\$ 6,755,054	\$ 3,696,546	\$ 184,990	\$ 90,205,185	\$ 88,037,536
-	859,559	-	2,720,096	2,377,945
-	18,608	-	114,858	168,713
-	4,420,860	-	6,622,380	4,064,338
-	219,920	347	14,198,653	11,840,113
<u>\$ 6,755,054</u>	<u>\$ 9,215,493</u>	<u>\$ 185,337</u>	<u>\$ 113,861,172</u>	<u>\$ 106,488,645</u>
<u>\$ 3,026,721</u>	<u>\$ 81,193</u>	<u>\$ 4,062,146</u>	<u>\$ (142,083,906)</u>	<u>\$ 190,398,494</u>
<u>99,687,732</u>	<u>171,741,519</u>	<u>-</u>	<u>2,550,112,716</u>	<u>2,359,714,222</u>
<u>\$ 102,714,453</u>	<u>\$ 171,822,712</u>	<u>\$ 4,062,146</u>	<u>\$ 2,408,028,810</u>	<u>\$ 2,550,112,716</u>

**STATE OF VERMONT
NONEXPENDABLE TRUST FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2001
(With comparative totals for June 30, 2000)**

	<u>Vermont Sanatorium Fund</u>	<u>Albert C. Lord Trust Fund</u>	<u>Bennington Battle Monument Fund</u>	<u>Zenus H. Ellis Fund</u>	<u>Carrie P. Underwood Fund</u>
ASSETS:					
Cash.....	\$ (1,423)	\$ 6	\$ 52	\$ 44	\$ 992
Investments.....	227,646	201,976	1,174	1,102	12,248
Accounts Receivable.....	-	-	-	-	-
Total Assets.....	\$ 226,223	\$ 201,982	\$ 1,226	\$ 1,146	\$ 13,240
FUND BALANCES:					
Reserved for Endowments.....	\$ 206,502	\$ 183,217	\$ 1,065	\$ 1,000	\$ 11,110
Unreserved, Undesignated.....	19,721	18,765	161	146	2,130
Total Fund Balances.....	\$ 226,223	\$ 201,982	\$ 1,226	\$ 1,146	\$ 13,240

**STATE OF VERMONT
NONEXPENDABLE TRUST FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(With comparative totals for the fiscal year ended June 30, 2000)**

	<u>Vermont Sanatorium Fund</u>	<u>Albert C. Lord Trust Fund</u>	<u>Bennington Battle Monument Fund</u>	<u>Zenus H. Ellis Fund</u>	<u>Carrie P. Underwood Fund</u>
REVENUES:					
Investment Income.....	\$ 21,251	\$ 18,941	\$ 111	\$ 102	\$ 1,186
Total Revenues.....	\$ 21,251	\$ 18,941	\$ 111	\$ 102	\$ 1,186
EXPENSES:					
Miscellaneous.....	\$ 3,611	\$ 2,717	\$ -	\$ -	\$ -
Dues, Subscriptions and Registrations.....	-	-	-	-	140
Total Expenses.....	\$ 3,611	\$ 2,717	\$ 0	\$ 0	\$ 140
Income (Loss) Before Operating Transfers.....	\$ 17,640	\$ 16,224	\$ 111	\$ 102	\$ 1,046
Transfers From General Fund..	-	-	-	-	-
Transfers To Component Units.	-	-	-	-	-
Net Income (Loss)	\$ 17,640	\$ 16,224	\$ 111	\$ 102	\$ 1,046
Fund Balances, July 1.....	208,583	185,758	1,115	1,044	12,194
Fund Balances, June 30.....	\$ 226,223	\$ 201,982	\$ 1,226	\$ 1,146	\$ 13,240

Couching Lion Farm Cemetery Fund	Laura H. Morgan Fund	Higher Education Endowment Fund	Lumberjack Fund	Totals	
				June 30, 2001	June 30, 2000
\$ 16,517	\$ 2,358	\$ 999,174	\$ 12,793	\$ 1,030,513	\$ 6,725,560
2,128	2,756	6,679,449	10,064	7,138,543	0
-	-	-	-	0	103,969
<u>\$ 18,645</u>	<u>\$ 5,114</u>	<u>\$ 7,678,623</u>	<u>\$ 22,857</u>	<u>\$ 8,169,056</u>	<u>\$ 6,829,529</u>
\$ 1,930	\$ 2,500	\$ 7,000,000	\$ 9,129	\$ 7,416,453	\$ 6,416,453
16,715	2,614	678,623	13,728	752,603	413,076
<u>\$ 18,645</u>	<u>\$ 5,114</u>	<u>\$ 7,678,623</u>	<u>\$ 22,857</u>	<u>\$ 8,169,056</u>	<u>\$ 6,829,529</u>

Couching Lion Farm Cemetery Fund	Laura H. Morgan Fund	Higher Education Endowment Fund	Lumberjack Fund	Totals	
				2001	2000
\$ 973	\$ 366	\$ 620,383	\$ 1,535	\$ 664,848	\$ 400,401
<u>\$ 973</u>	<u>\$ 366</u>	<u>\$ 620,383</u>	<u>\$ 1,535</u>	<u>\$ 664,848</u>	<u>\$ 400,401</u>
\$ -	\$ -	\$ 106,285	\$ -	\$ 112,613	\$ 19,760
-	-	-	-	140	0
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 106,285</u>	<u>\$ 0</u>	<u>\$ 112,753</u>	<u>\$ 19,760</u>
\$ 973	\$ 366	\$ 514,098	\$ 1,535	\$ 552,095	\$ 380,641
-	-	1,000,000	-	1,000,000	6,000,000
-	-	(212,570)	-	(212,570)	0
<u>\$ 973</u>	<u>\$ 366</u>	<u>\$ 1,301,528</u>	<u>\$ 1,535</u>	<u>\$ 1,339,525</u>	<u>6,380,641</u>
<u>17,672</u>	<u>4,748</u>	<u>6,377,095</u>	<u>21,322</u>	<u>6,829,531</u>	<u>448,888</u>
<u>\$ 18,645</u>	<u>\$ 5,114</u>	<u>\$ 7,678,623</u>	<u>\$ 22,857</u>	<u>\$ 8,169,056</u>	<u>\$ 6,829,529</u>

STATE OF VERMONT
NONEXPENDABLE TRUST FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(With comparative totals for the fiscal year ended June 30, 2000)

	Vermont Sanatorium Fund	Albert C. Lord Trust Fund	Bennington Battle Monument Fund	Zenus H. Ellis Fund	Carrie P. Underwood Fund
Cash Flows from Operating Activities:					
Operating Expenses.....	\$ (3,611)	\$ (2,717)	\$ -	\$ -	\$ (140)
Investment Income.....	107	182	2	-	48
Net Cash Provided (Used) by Operating Activities.....	\$ (3,504)	\$ (2,535)	\$ 2	\$ 0	\$ (92)
Cash Flows from Noncapital Financing Activities:					
Operating Transfers Out.....	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Transfers In.....	-	-	-	-	-
Net Cash Provided (Used) by Noncapital Financing Activities.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Cash Flows from Investing Activities:					
Payment to Purchase Investments.....	\$ (206,502)	\$ (183,217)	\$ (1,065)	\$ (1,000)	\$ (11,110)
Net Cash Provided (Used) by Investing Activities.....	\$ (206,502)	\$ (183,217)	\$ (1,065)	\$ (1,000)	\$ (11,110)
Net Increase (Decrease) in Cash and Cash Equivalents.....	\$ (210,006)	\$ (185,752)	\$ (1,063)	\$ (1,000)	\$ (11,202)
Cash and Cash Equivalents, July 1.....	208,583	185,758	1,115	1,044	12,194
Cash and Cash Equivalents, June 30.....	<u>\$ (1,423)</u>	<u>\$ 6</u>	<u>\$ 52</u>	<u>\$ 44</u>	<u>\$ 992</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:					
Operating Income (Loss).....	\$ 17,640	\$ 16,224	\$ 111	\$ 102	\$ 1,046
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Revenue from Non-Operating Investment and Other Activity	(21,144)	(18,759)	(109)	(102)	(1,138)
(Increase) Decrease in Accounts Receivable.....	-	-	-	-	-
Total Adjustments.....	\$ (21,144)	\$ (18,759)	\$ (109)	\$ (102)	\$ (1,138)
Net Cash Provided (Used) by Operating Activities.....	\$ (3,504)	\$ (2,535)	\$ 2	\$ 0	\$ (92)

Couching Lion Farm Cemetery Fund	Laura H. Morgan Fund	Higher Education Endowment Fund	Lumberjack Fund	Totals	
				2001	2000
\$ -	\$ -	\$ (106,285)	\$ -	\$ (112,753)	\$ (19,760)
<u>775</u>	<u>110</u>	<u>103,969</u>	<u>600</u>	<u>105,793</u>	<u>296,432</u>
\$ <u>775</u>	\$ <u>110</u>	\$ <u>(2,316)</u>	\$ <u>600</u>	\$ <u>(6,960)</u>	\$ <u>276,672</u>
\$ -	\$ -	\$ (212,570)	\$ -	\$ (212,570)	\$ 0
<u>-</u>	<u>-</u>	<u>1,000,000</u>	<u>-</u>	<u>1,000,000</u>	<u>6,000,000</u>
\$ <u>0</u>	\$ <u>0</u>	\$ <u>787,430</u>	\$ <u>0</u>	\$ <u>787,430</u>	\$ <u>6,000,000</u>
\$ <u>(1,930)</u>	\$ <u>(2,500)</u>	\$ <u>(6,059,066)</u>	\$ <u>(9,129)</u>	\$ <u>(6,475,519)</u>	\$ <u>0</u>
\$ <u>(1,930)</u>	\$ <u>(2,500)</u>	\$ <u>(6,059,066)</u>	\$ <u>(9,129)</u>	\$ <u>(6,475,519)</u>	\$ <u>0</u>
\$ (1,155)	\$ (2,390)	\$ (5,273,952)	\$ (8,529)	\$ (5,695,049)	\$ 6,276,672
<u>17,672</u>	<u>4,748</u>	<u>6,273,126</u>	<u>21,322</u>	<u>6,725,562</u>	<u>448,888</u>
\$ <u>16,517</u>	\$ <u>2,358</u>	\$ <u>999,174</u>	\$ <u>12,793</u>	\$ <u>1,030,513</u>	\$ <u>6,725,560</u>
\$ <u>973</u>	\$ <u>366</u>	\$ <u>514,098</u>	\$ <u>1,535</u>	\$ <u>552,095</u>	\$ <u>380,641</u>
(198)	(256)	(620,383)	(935)	(663,024)	0
<u>-</u>	<u>-</u>	<u>103,969</u>	<u>-</u>	<u>103,969</u>	<u>(103,969)</u>
\$ <u>(198)</u>	\$ <u>(256)</u>	\$ <u>(516,414)</u>	\$ <u>(935)</u>	\$ <u>(559,055)</u>	\$ <u>(103,969)</u>
\$ <u>775</u>	\$ <u>110</u>	\$ <u>(2,316)</u>	\$ <u>600</u>	\$ <u>(6,960)</u>	\$ <u>276,672</u>

STATE OF VERMONT
EXPENDABLE TRUST FUNDS
COMBINING BALANCE SHEET
June 30, 2001
(With comparative totals for June 30, 2000)

	Unemployment Compensation Trust Fund	Unemployment Contingent Trust Fund	Rockefeller Fund-State	Student Assistance Corp. Guarantee Reserve Fund
ASSETS				
Cash.....	\$ 309,641,196	\$ 195,224	\$ 71,285	\$ 59,565
Investments.....				
Receivables:				
Unemployment Taxes.....	9,541,299	-	-	-
Due From Other Funds.....	-	33,040	-	-
Due from Federal Government.....	23,548	-	-	-
Total Assets.....	\$ 319,206,043	\$ 228,264	\$ 71,285	\$ 59,565
LIABILITIES & FUND BALANCES				
Liabilities:				
Accounts Payable.....	\$ 413,330	\$ -	\$ -	\$ -
Due To Other Funds.....	33,040	-	-	-
Claims Payable.....	-	-	-	-
Benefits Payable.....	2,040,233	-	-	-
Total Liabilities.....	\$ 2,486,603	\$ 0	\$ 0	\$ 0
Fund Balances:				
Reserved for Claims and Distributions.....	\$	\$ -	\$ 71,285	\$ 59,565
Reserved for Unemployment Compensation Benefits.....	316,719,440	-	-	-
Reserved for Contingencies.....	-	228,264	-	-
Total Fund Balances.....	\$ 316,719,440	\$ 228,264	\$ 71,285	\$ 59,565
Total Liabilities & Fund Balances.....	\$ 319,206,043	\$ 228,264	\$ 71,285	\$ 59,565

Abandoned Property Fund	Williamstown Environmental & Public Health Fund	Tobacco Litigation Fund	Tobacco Trust Fund	All Other Expendable Trust Funds	Totals	
					June 30, 2001	June 30, 2000
\$ 2,708,563	\$ 272,800	\$ 2,430,634	\$ 2,216,829 19,382,004	\$ 134,756	\$ 317,730,852 19,382,004	\$ 313,572,390 0
-	-	-	-	-	9,541,299	11,423,137
12,688	-	-	-	-	45,728	25,972
-	-	-	-	-	23,548	18,158
<u>\$ 2,721,251</u>	<u>\$ 272,800</u>	<u>\$ 2,430,634</u>	<u>\$ 21,598,833</u>	<u>\$ 134,756</u>	<u>\$ 346,723,431</u>	<u>\$ 325,039,657</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 413,330	\$ 457,175
-	-	-	-	-	33,040	209,595
1,918,691	-	-	-	-	1,918,691	1,353,862
-	-	-	-	-	2,040,233	1,079,466
<u>\$ 1,918,691</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,405,294</u>	<u>\$ 3,100,098</u>
\$ 802,560	\$ 272,800	\$ 2,430,634	\$ 21,598,833	\$ 134,756	\$ 25,370,433	\$ 17,395,875
-	-	-	-	-	316,719,440	304,332,086
-	-	-	-	-	228,264	211,598
<u>\$ 802,560</u>	<u>\$ 272,800</u>	<u>\$ 2,430,634</u>	<u>\$ 21,598,833</u>	<u>\$ 134,756</u>	<u>\$ 342,318,137</u>	<u>\$ 321,939,559</u>
<u>\$ 2,721,251</u>	<u>\$ 272,800</u>	<u>\$ 2,430,634</u>	<u>\$ 21,598,833</u>	<u>\$ 134,756</u>	<u>\$ 346,723,431</u>	<u>\$ 325,039,657</u>

STATE OF VERMONT
EXPENDABLE TRUST FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(With comparative totals for the fiscal year ended June 30, 2000)

	Unemployment Compensation Trust Fund	Unemployment Contingent Trust Fund	Rockefeller Fund - State Zoning	Student Assistance Corp. Guarantee Reserve Fund
Operating Revenues:				
Unemployment Taxes.....	\$ 42,123,716	\$ -	\$ -	\$ -
Tobacco Settlement.....	-	-	-	-
Investment Income.....	19,749,561	9,906	3,342	2,794
Abandoned Property.....	-	-	-	-
Federal Grants.....	732,156	-	-	-
Contributions.....	-	-	-	-
Other.....	3,148,727	-	-	-
Total Operating Revenues.....	\$ 65,754,160	\$ 9,906	\$ 3,342	\$ 2,794
Operating Expenditures:				
Salaries and Administrative Fees.....	\$ -	\$ -	\$ -	\$ -
Benefit Payments.....	50,439,171	-	-	-
Other.....	2,879,484	41,391	-	-
Total Operating Expenditures.....	\$ 53,318,655	\$ 41,391	\$ 0	\$ 0
Excess(Deficiency) of Revenues Over Expenditures.....	\$ 12,435,505	\$ (31,485)	\$ 3,342	\$ 2,794
Other Financing Sources (Uses):				
Operating Transfers In.....	\$ 306,777	\$ 354,928	\$ -	\$ -
Operating Transfers (Out).....	(354,928)	(306,777)	-	-
Total Other Financing Sources(Uses).....	\$ (48,151)	\$ 48,151	\$ 0	\$ 0
Excess(Deficiency) of Revenues and Other Financial Sources Over Expenditures & Other (Uses).....	\$ 12,387,354	\$ 16,666	\$ 3,342	\$ 2,794
Fund Balances, July 1.....	\$ 304,332,086	\$ 211,598	\$ 67,942	\$ 56,771
Fund Balances, June 30.....	\$ 316,719,440	\$ 228,264	\$ 71,285	\$ 59,565

Abandoned Property Fund	Williamstown Environmental & Public Health Fund	Tobacco Litigation Fund	Tobacco Trust Fund	All Other Expendable Trust Funds	Totals	
					June 30, 2001	June 30, 2000
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42,123,716	\$ 50,628,017
-	-	24,685,492	-	-	24,685,492	33,214,048
135,207	12,792	1,307,778	825,314	5	22,046,699	18,974,461
2,654,116	-	-	-	-	2,654,116	262,140
-	-	-	-	-	732,156	479,044
-	-	-	-	518,899	518,899	602,351
-	-	-	-	-	3,148,727	2,817,154
<u>\$ 2,789,323</u>	<u>\$ 12,792</u>	<u>\$ 25,993,270</u>	<u>\$ 825,314</u>	<u>\$ 518,903</u>	<u>\$ 95,909,804</u>	<u>\$ 106,977,215</u>
\$ 288,926	\$ -	\$ -	\$ -	\$ 520,223	\$ 809,149	\$ 809,665
-	-	-	-	-	50,439,171	41,825,117
-	-	20,348,406	-	3,353	23,272,634	19,549,765
<u>\$ 288,926</u>	<u>\$ 0</u>	<u>\$ 20,348,406</u>	<u>\$ 0</u>	<u>\$ 523,576</u>	<u>\$ 74,520,953</u>	<u>\$ 62,184,547</u>
\$ 2,500,397	\$ 12,792	\$ 5,644,864	\$ 825,314	\$ (4,672)	\$ 21,388,851	\$ 44,792,668
\$ 12,688	\$ -	\$ -	\$ 3,964,230	\$ -	\$ 4,638,623	\$ 754,091
<u>(1,768,830)</u>	<u>-</u>	<u>(3,214,230)</u>	<u>-</u>	<u>(4,130)</u>	<u>(5,648,895)</u>	<u>(1,193,022)</u>
<u>\$ (1,756,142)</u>	<u>\$ 0</u>	<u>\$ (3,214,230)</u>	<u>\$ 3,964,230</u>	<u>\$ (4,130)</u>	<u>\$ (1,010,272)</u>	<u>\$ (438,931)</u>
\$ 744,255	\$ 12,792	\$ 2,430,634	\$ 4,789,544	\$ (8,803)	\$ 20,378,578	\$ 44,353,737
<u>\$ 58,305</u>	<u>\$ 260,009</u>	<u>\$ 0</u>	<u>\$ 16,809,289</u>	<u>\$ 143,559</u>	<u>\$ 321,939,559</u>	<u>\$ 277,585,822</u>
<u>\$ 802,560</u>	<u>\$ 272,800</u>	<u>\$ 2,430,634</u>	<u>\$ 21,598,833</u>	<u>\$ 134,756</u>	<u>\$ 342,318,137</u>	<u>\$ 321,939,559</u>

STATE OF VERMONT
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Balance July 1, 2000	Additions	Deductions	Balance June 30, 2001
RETIREMENT SYSTEM CONTRIBUTIONS AND WITHHOLDINGS FUND				
ASSETS				
Cash.....	\$ 0	\$ 31,503,473	\$ 31,503,473	\$ 0
Accounts Receivable.....	10,230	-	540	9,690
Total Assets.....	<u>\$ 10,230</u>	<u>\$ 31,503,473</u>	<u>\$ 31,504,013</u>	<u>\$ 9,690</u>
LIABILITIES				
Due to Depositories.....	\$ 0	\$ 31,503,473	\$ 31,503,473	\$ 0
Interfund Payable.....	10,230	-	540	9,690
Total Liabilities.....	<u>\$ 10,230</u>	<u>\$ 31,503,473</u>	<u>\$ 31,504,013</u>	<u>\$ 9,690</u>
FEDERAL INCOME TAX WITHHOLDINGS FUND				
ASSETS				
Cash.....	\$ 822,048	\$ 40,301,883	\$ 41,123,931	\$ 0
Accounts Receivable.....	0	51,806	-	51,806
Total Assets.....	<u>\$ 822,048</u>	<u>\$ 40,353,689</u>	<u>\$ 41,123,931</u>	<u>\$ 51,806</u>
LIABILITIES				
Due to Depositories.....	\$ 822,048	\$ 40,301,883	\$ 41,123,931	\$ 0
Interfund payable.....	0	51,806	-	51,806
Total Liabilities.....	<u>\$ 822,048</u>	<u>\$ 40,353,689</u>	<u>\$ 41,123,931</u>	<u>\$ 51,806</u>
STATE INCOME TAX WITHHOLDINGS FUND				
ASSETS				
Cash.....	\$ 578,699	\$ 9,352,929	\$ 9,924,643	\$ 6,986
Total Assets.....	<u>\$ 578,699</u>	<u>\$ 9,352,929</u>	<u>\$ 9,924,643</u>	<u>\$ 6,986</u>
LIABILITIES				
Due to Depositories.....	\$ 578,699	\$ 9,352,929	\$ 9,924,643	\$ 6,986
Total Liabilities.....	<u>\$ 578,699</u>	<u>\$ 9,352,929</u>	<u>\$ 9,924,643</u>	<u>\$ 6,986</u>
SOCIAL SECURITY TAX CONTRIBUTIONS AND WITHHOLDINGS FUND				
ASSETS				
Cash.....	\$ 0	\$ 48,567,974	\$ 48,567,974	\$ 0
Accounts Receivable.....	68,279	11,984	-	80,263
Total Assets.....	<u>\$ 68,279</u>	<u>\$ 48,579,958</u>	<u>\$ 48,567,974</u>	<u>\$ 80,263</u>
LIABILITIES				
Due to Depositories.....	\$ 0	\$ 48,567,974	\$ 48,567,974	\$ 0
Interfund Payable.....	68,279	11,984	-	80,263
Total Liabilities.....	<u>\$ 68,279</u>	<u>\$ 48,579,958</u>	<u>\$ 48,567,974</u>	<u>\$ 80,263</u>
EMPLOYEES CREDIT UNION WITHHOLDING FUND				
ASSETS				
Cash.....	\$ 1,110	\$ 39,541,554	\$ 39,542,110	\$ 554
LIABILITIES				
Due to Depositories.....	\$ 1,110	\$ 39,541,554	\$ 39,542,110	\$ 554

STATE OF VERMONT
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Balance July 1, 2000	Additions	Deductions	Balance June 30, 2001
EMPLOYEES INSURANCE CONTRIBUTIONS AND WITHHOLDINGS FUND				
ASSETS				
Cash.....	\$ 0	\$ 43,394,887	\$ 43,394,887	\$ 0
Accounts Receivable.....	675,249	-	661,524	13,725
Total Assets.....	<u>\$ 675,249</u>	<u>\$ 43,394,887</u>	<u>\$ 44,056,411</u>	<u>\$ 13,725</u>
LIABILITIES				
Due to Depositories.....	\$ 0	\$ 43,394,887	\$ 43,394,887	\$ 0
Interfund Payable.....	675,249	-	661,524	13,725
Total Liabilities.....	<u>\$ 675,249</u>	<u>\$ 43,394,887</u>	<u>\$ 44,056,411</u>	<u>\$ 13,725</u>
EMPLOYEES DEFERRED INCOME WITHHOLDINGS FUND				
ASSETS				
Cash.....	\$ 0	\$ 10,610,239	\$ 10,610,239	\$ 0
Accounts Receivable.....	2,253	-	988	1,264
Total Assets.....	<u>\$ 2,253</u>	<u>\$ 10,610,239</u>	<u>\$ 10,611,228</u>	<u>\$ 1,264</u>
LIABILITIES				
Due to Depositories.....	\$ 0	\$ 10,610,239	\$ 10,610,239	\$ 0
Interfund Payable.....	2,253	-	988	1,264
Total Liabilities.....	<u>\$ 2,253</u>	<u>\$ 10,610,239</u>	<u>\$ 10,611,228</u>	<u>\$ 1,264</u>
OTHER EMPLOYEE CONTRIBUTIONS AND WITHHOLDINGS FUND				
ASSETS				
Cash.....	\$ 0	\$ 17,001,317	\$ 17,001,317	\$ 0
Accounts Receivable.....	822,795	-	741,455	81,340
Total Assets.....	<u>\$ 822,795</u>	<u>\$ 17,001,317</u>	<u>\$ 17,742,772</u>	<u>\$ 81,340</u>
LIABILITIES				
Due to Depositories.....	\$ 0	\$ 17,001,317	\$ 17,001,317	\$ 0
Interfund Payables.....	822,795	-	741,455	81,340
Total Liabilities.....	<u>\$ 822,795</u>	<u>\$ 17,001,317</u>	<u>\$ 17,742,772</u>	<u>\$ 81,340</u>
UNIDENTIFIED RECEIPTS FUND				
ASSETS				
Cash.....	<u>\$ 1,048,536</u>	<u>\$ 12,010,848</u>	<u>\$ 8,387,579</u>	<u>\$ 4,671,804</u>
LIABILITIES				
Due to Other Funds.....	<u>\$ 1,048,536</u>	<u>\$ 12,010,848</u>	<u>\$ 8,387,579</u>	<u>\$ 4,671,804</u>

STATE OF VERMONT
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Balance July 1, 2000	Additions	Deductions	Balance June 30, 2001
VENDOR AND OTHER DEPOSITS FUND				
ASSETS				
Cash.....	\$ 3,098,152	\$ 15,354,455	\$ 14,151,586	\$ 4,301,022
Taxes Receivable.....	201,284	212,425	201,284	212,425
Total Assets.....	<u>\$ 3,299,436</u>	<u>\$ 15,566,880</u>	<u>\$ 14,352,870</u>	<u>\$ 4,513,447</u>
LIABILITIES				
Amounts Held in Custody for Others.....	\$ 2,095,201	\$ 9,115,108	\$ 9,408,369	\$ 1,801,940
Intergovernmental Payable				
Other Governments.....	201,284	212,425	201,284	212,425
Other Liabilities.....	1,002,951	6,239,347	4,743,217	2,499,082
Total Liabilities.....	<u>\$ 3,299,436</u>	<u>\$ 15,566,880</u>	<u>\$ 14,352,870</u>	<u>\$ 4,513,447</u>
CHILD SUPPORT COLLECTIONS FUND				
ASSETS				
Cash.....	\$ 3,053,427	\$ 42,224,544	\$ 41,265,715	\$ 4,012,256
LIABILITIES				
Amount Held in Custody for Others.....	\$ 3,053,427	\$ 42,224,544	\$ 41,265,715	\$ 4,012,256
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Cash.....	\$ 8,601,972	\$ 309,864,105	\$ 305,473,456	\$ 12,992,621
Accounts Receivable.....	1,578,807	63,790	1,404,508	238,088
Taxes Receivable.....	201,284	212,425	201,284	212,425
TOTAL ASSETS	<u>\$ 10,382,062</u>	<u>\$ 310,140,320</u>	<u>\$ 307,079,247</u>	<u>\$ 13,443,135</u>
LIABILITIES				
Due to Depositories.....	\$ 1,401,857	\$ 240,274,257	\$ 241,668,575	\$ 7,540
Due to Other Funds.....	1,048,536	12,010,848	8,387,579	4,671,804
Amounts Held in Custody for Others.....	5,148,628	51,339,652	50,674,084	5,814,196
Intergovernmental Payable				
Other Governments.....	201,284	212,425	201,284	212,425
Other Liabilities.....	1,002,951	6,239,347	4,743,217	2,499,082
Interfund Payable.....	1,578,807	63,790	1,404,508	238,088
TOTAL LIABILITIES	<u>\$ 10,382,062</u>	<u>\$ 310,140,320</u>	<u>\$ 307,079,247</u>	<u>\$ 13,443,135</u>



***GENERAL LONG TERM DEBT ACCOUNT
GROUP***

STATE OF VERMONT
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - GENERAL LONG TERM DEBT ACCOUNT GROUP
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	<u>Balance July 1, 2000</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2001</u>
ASSETS:				
Amounts to be provided for retirement of General Long Term Debt.....	\$ 678,817,167	\$ 8,961,551	\$ 50,585,000	\$ 637,193,718
Total Assets.....	\$ 678,817,167	\$ 8,961,551	\$ 50,585,000	\$ 637,193,718
LIABILITIES:				
Net Pension Obligations.....	\$ 124,353,880	\$ 770,486	\$ -	\$ 125,124,366
Compensated Absences.....	24,163,682	462,312	-	24,625,994
General Obligation Bonds and Notes Payable.....	527,299,605	3,728,753	50,585,000	480,443,358
Contingent Liabilities.....	3,000,000	4,000,000	-	7,000,000
Total Liabilities.....	\$ 678,817,167	\$ 8,961,551	\$ 50,585,000	\$ 637,193,718



COMPONENT UNITS

STATE OF VERMONT
COMPONENT UNITS - OTHER
COMBINING BALANCE SHEET
June 30, 2001
(With comparative totals for June 30, 2000)

	Vermont Student Assistance Corporation 06/30/01	Vermont Economic Development Authority 06/30/01	Vermont Housing & Conservation Board 06/30/01	Vermont Sustainable Jobs Fund 06/30/01
ASSETS				
Current Assets:				
Cash and Cash Equivalents.....	\$ 264,012,000	\$ 16,835,283	\$ 19,063,551	\$ 267,440
Investments.....	24,792,000	26,366,712	23,548,465	-
Accounts Receivable.....	-	-	-	-
Accrued Interest Receivable-Loans.....	25,348,000	486,348	-	-
Accrued Interest Receivable-Investments.....	396,000	-	-	-
Other Receivables.....	11,006,000	-	258,783	-
Due From Federal Government.....	-	-	9,276,744	-
Due From Primary Government.....	-	-	900,000	-
Inventories (at cost).....	-	-	-	-
Prepaid Expenses.....	-	-	-	-
Total Current Assets.....	\$ 325,554,000	\$ 43,488,343	\$ 53,047,543	\$ 267,440
Restricted and Non-Current Assets:				
Cash.....	\$ -	\$ -	\$ -	\$ -
Notes and Mortgages.....	-	48,833,837	-	-
Deferred Bond Issue Costs - Net.....	5,604,000	117,624	-	-
Loans Receivable.....	869,425,000	-	41,158,632	-
Other Assets.....	1,168,000	188,660	88,880	-
Total Restricted & Noncurrent Assets.....	\$ 876,197,000	\$ 49,140,121	\$ 41,247,512	\$ 0
Fixed Assets:				
Building and Leasehold Improvements.....	\$ 939,000	\$ -	\$ -	\$ -
Equipment, Furniture and Fixtures.....	8,213,000	408,813	134,200	6,056
Accumulated Depreciation.....	(5,935,000)	(309,191)	-	(2,883)
Total Fixed Assets.....	\$ 3,217,000	\$ 99,622	\$ 134,200	\$ 3,173
TOTAL ASSETS.....	\$ 1,204,968,000	\$ 92,728,086	\$ 94,429,255	\$ 270,613
LIABILITIES AND FUND EQUITY				
Current Liabilities:				
Accounts Payable.....	\$ 3,923,000	\$ 278,344	\$ 57,472	\$ 15,886
Accrued Salaries and Benefits.....	-	-	79,413	-
Accrued Interest Payable.....	1,977,000	590,311	620,701	-
Due to the University of Vermont.....	-	-	-	-
Deferred Revenue.....	-	-	40,888,262	137,953
Due to Other Governments.....	20,265,000	-	-	-
Current Portion - Debt Obligation.....	25,380,000	1,327,998	-	-
Due to Primary Government.....	-	4,185,776	585,275	-
Escrowed Cash Deposits.....	-	163,404	-	-
Other Current Liabilities.....	12,645,000	-	8,667,797	-
Total Current Liabilities.....	\$ 64,190,000	\$ 6,545,833	\$ 50,898,920	\$ 153,839
Restricted and Non-Current Liabilities:				
Notes Payable.....	\$ -	\$ 43,248,538	\$ 23,812,073	\$ -
Bonds Payable.....	1,072,100,000	10,469,427	-	-
Advances From Primary Government.....	-	1,915,711	-	-
Total Liabilities Payable from Restricted Funds.....	\$ 1,072,100,000	\$ 55,633,676	\$ 23,812,073	\$ 0
Total Liabilities.....	\$ 1,136,290,000	\$ 62,179,509	\$ 74,710,993	\$ 153,839
FUND EQUITY:				
Investment in General Fixed Assets.....	\$ -	\$ -	\$ 134,200	\$ -
Restricted.....	41,154,000	-	-	-
Designated.....	23,206,000	-	-	-
Retained Earnings.....	1,101,000	30,548,577	-	116,774
Fund Balances:				
Net Investment in Plant.....	3,217,000	-	-	-
Reserved For Encumbrances.....	-	-	19,296,552	-
Unreserved.....	-	-	287,510	-
Total Fund Equity.....	\$ 68,678,000	\$ 30,548,577	\$ 19,718,262	\$ 116,774
TOTAL LIABILITIES & FUND EQUITY.....	\$ 1,204,968,000	\$ 92,728,086	\$ 94,429,255	\$ 270,613

Vermont Municipal Bond Bank 12/31/2000	Vermont Educational and Health Buildings Financing Agency 12/31/2000	Vermont Center For Geographic Information 06/30/01	Vermont Veteran's Home 06/30/01	Totals	
				6/30/2001	Restated 6/30/2000
\$ 4,724,509	\$ 58,900	\$ 85,571	\$ 43,442	\$ 304,890,696	\$ 284,273,361
45,166,833	1,118,012	-	397,774	121,389,796	117,671,069
4,465	-	35,749	150,132	190,346	47,516
2,264,117	-	-	-	28,098,465	25,917,276
-	-	-	-	396,000	1,294,862
-	436	-	-	11,265,219	11,822,650
-	-	-	942,619	10,219,363	6,386,876
-	-	-	1,229,954	2,129,954	0
-	-	-	108,123	108,123	0
-	-	19,809	-	19,809	7,285
<u>\$ 52,159,924</u>	<u>\$ 1,177,348</u>	<u>\$ 141,129</u>	<u>\$ 2,872,044</u>	<u>\$ 478,707,771</u>	<u>\$ 447,420,895</u>
\$ -	\$ -	\$ -	\$ 88,487	\$ 88,487	\$ 0
-	-	-	-	48,833,837	43,423,310
4,887,942	-	-	-	10,609,566	9,936,041
357,253,873	-	-	-	1,267,837,505	1,134,317,775
-	-	-	4,458	1,449,998	1,972,355
<u>\$ 362,141,815</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 92,945</u>	<u>\$ 1,328,819,393</u>	<u>\$ 1,189,649,481</u>
\$ -	\$ -	\$ 164,747	\$ 12,089,120	\$ 13,192,867	\$ 939,344
-	-	(137,965)	1,732,715	10,356,819	8,068,979
-	-	-	(8,599,507)	(14,846,581)	(4,149,998)
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 26,782</u>	<u>\$ 5,222,328</u>	<u>\$ 8,703,105</u>	<u>\$ 4,858,325</u>
<u>\$ 414,301,739</u>	<u>\$ 1,177,348</u>	<u>\$ 167,911</u>	<u>\$ 8,187,317</u>	<u>\$ 1,816,230,269</u>	<u>\$ 1,641,928,701</u>
\$ 16,501	\$ 4,914	\$ 6,304	\$ 337,104	\$ 4,639,525	\$ 3,531,855
-	-	24,054	655,979	759,446	94,788
1,732,276	-	-	-	4,920,288	5,684,609
-	-	-	-	0	1,133
-	-	53,052	335,828	41,415,095	37,360,918
-	-	-	-	20,265,000	25,438,858
-	-	-	-	26,707,998	41,689,065
-	-	-	-	4,771,051	4,016,801
-	-	-	-	163,404	191,531
1,839,961	-	-	100,772	23,253,530	17,228,039
<u>\$ 3,588,738</u>	<u>\$ 4,914</u>	<u>\$ 83,410</u>	<u>\$ 1,429,683</u>	<u>\$ 126,895,337</u>	<u>\$ 135,237,597</u>
\$ -	\$ -	\$ -	\$ -	\$ 67,060,611	\$ 61,150,952
397,636,037	-	-	-	1,480,205,464	1,332,983,045
-	-	-	-	1,915,711	1,875,764
<u>\$ 397,636,037</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,549,181,786</u>	<u>\$ 1,396,009,761</u>
<u>\$ 401,224,775</u>	<u>\$ 4,914</u>	<u>\$ 83,410</u>	<u>\$ 1,429,683</u>	<u>\$ 1,676,077,123</u>	<u>\$ 1,531,247,358</u>
\$ -	\$ -	\$ -	\$ -	\$ 134,200	\$ 242,005
-	-	-	437,537	41,591,537	43,937,324
-	-	-	-	23,206,000	7,865,700
-	-	-	6,314,608	38,080,959	26,697,283
-	-	-	-	3,217,000	4,521,551
-	-	-	-	19,296,552	16,721,390
13,076,964	1,172,434	84,501	5,489	14,626,898	10,696,090
<u>\$ 13,076,964</u>	<u>\$ 1,172,434</u>	<u>\$ 84,501</u>	<u>\$ 6,757,634</u>	<u>\$ 140,153,146</u>	<u>\$ 110,681,343</u>
<u>\$ 414,301,739</u>	<u>\$ 1,177,348</u>	<u>\$ 167,911</u>	<u>\$ 8,187,317</u>	<u>\$ 1,816,230,269</u>	<u>\$ 1,641,928,701</u>

STATE OF VERMONT
 COMPONENT UNITS - GOVERNMENTAL FUND TYPE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001
 (With comparative totals for the fiscal year ended June 30, 2000)

	Vermont Housing & Conservation Board 6/30/2001	Vermont Municipal Bond Bank 12/31/2000	Vermont Educational and Health Buildings Financing Agency 12/31/2000	Totals	
				2001	2000
Revenues:					
Property Transfer Tax.....	\$ 10,632,619	\$ -	\$ -	\$ 10,632,619	\$ 10,415,571
Interest Income.....	788,034	19,994,941	66,316	20,849,291	20,061,609
Investment Income.....	2,129,939	6,547,904	-	8,677,843	639,520
Administrative Fees & Allowances.....	-	-	92,453	92,453	141,461
Federal Grants and Subsidy.....	6,132,971	-	-	6,132,971	6,252,322
Other Operating Revenues.....	424,403	-	-	424,403	363,850
Total Revenues.....	\$ 20,107,966	\$ 26,542,845	\$ 158,769	\$ 46,809,580	\$ 37,874,333
Expenditures:					
Salaries and Benefits.....	\$ 1,318,795	\$ -	\$ -	\$ 1,318,795	\$ 1,240,094
Interest Expense.....	2,352,069	21,080,731	-	23,432,800	22,372,829
Grants & Loans.....	18,084,857	-	-	18,084,857	18,790,039
Administrative Costs.....	85	-	-	85	114
Depreciation and Amortization.....	-	224,982	-	224,982	200,983
Professional Fees.....	33,263	-	-	33,263	26,835
Arbitrage Rebate.....	-	1,151,399	-	1,151,399	383,692
Other Operating Expenses.....	237,760	245,035	124,562	607,357	2,323,693
Total Expenditures.....	\$ 22,026,829	\$ 22,702,147	\$ 124,562	\$ 44,853,538	\$ 45,338,279
Excess of Revenues Over (Under)					
Expenditures.....	\$ (1,918,863)	\$ 3,840,698	\$ 34,207	\$ 1,956,042	\$ (7,463,946)
Other Financing Sources (Uses):					
Operating Transfers From Primary Government.....	\$ 4,500,000	\$ -	\$ -	\$ 4,500,000	\$ 6,000,000
Operating Transfers To Primary Government.....	-	-	-	0	0
Total Other Financing Sources(Uses).....	\$ 4,500,000	\$ 0	\$ 0	\$ 4,500,000	\$ 6,000,000
Excess of Revenues and Other Sources Over					
(Under) Expenditures and Other (Uses).....	\$ 2,581,137	\$ 3,840,698	\$ 34,207	\$ 6,456,042	\$ (1,463,946)
Fund Balances, July 1,	17,002,925	9,236,266	1,138,227	27,377,418	28,841,364
Fund Balances, June 30.....	\$ 19,584,062	\$ 13,076,964	\$ 1,172,434	\$ 33,833,460	\$ 27,377,418

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STATE OF VERMONT
 COMPONENT UNITS - PROPRIETARY TYPE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN RETAINED EARNINGS/FUND BALANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001
 (With comparative totals for the fiscal year ended June 30, 2000)

	Vermont Student Assistance Corporation 06/30/01	Vermont Economic Development Authority 06/30/01	Vermont Center For Geographic Information 06/30/01
Operating Revenues:			
Interest Income.....	\$ 77,899,000	\$ 5,844,140	\$ 7,151
Sales of Service.....	-	-	-
Administrative Fees & Allowances.....	9,382,000	-	-
Federal Grants.....	2,196,000	-	-
Federal Reinsurance.....	-	-	-
Defaulted Loan Recoveries.....	549,000	-	-
Other Operating Revenues.....	3,626,000	514,472	250,163
Total Operating Revenues.....	\$ 93,652,000	\$ 6,358,612	\$ 257,314
Operating Expenses:			
Salaries and Benefits.....	\$ 15,248,000	\$ 953,628	\$ 335,293
Interest Expense.....	54,127,000	2,647,214	865
Grants & Scholarships.....	16,634,000	-	-
Administrative Costs.....	12,634,000	722,927	66,910
Depreciation and Amortization.....	2,545,000	57,202	16,548
Arbitrage Rebates & Yield Compliance.....	(5,087,000)	-	-
Losses-Bad Debts.....	-	648,433	-
Purchase of Defaulted Loans.....	-	-	-
Other Operating Expenses.....	430,000	-	45,275
Total Operating Expenses.....	\$ 96,531,000	\$ 5,029,404	\$ 464,891
Operating Income (loss).....	\$ (2,879,000)	\$ 1,329,208	\$ (207,577)
Non-Operating Revenues (Expenses):			
Operating Transfers From Primary Government.....	\$ 14,912,000	\$ 307,336	\$ 252,016
Bond Principle Payment.....	-	42,392	-
Total Non-Operating Revenues(Expenses).....	\$ 14,912,000	\$ 349,728	\$ 252,016
Net Income(loss) before extraordinary item.....	\$ 12,033,000	\$ 1,678,936	\$ 44,439
Extraordinary Item:			
Transfer of liquid and non-liquid loan guarantee assets to Federal Loan Guarantee Fund.....	-	-	-
Net Income After Extraordinary Item.....	\$ 12,033,000	\$ 1,678,936	\$ 44,439
Retained Earnings - Fund Balances, July 1 - Restated	56,645,000	28,869,641	40,062
Retained Earnings - Fund Balances, June 30.....	\$ 68,678,000	\$ 30,548,577	\$ 84,501

Vermont Sustainable Jobs Fund 06/30/01	Vermont Veteran's Home 06/30/01	Totals	
		6/30/2001	Restated 6/30/2000
\$ 13,488	\$ 236	\$ 83,764,015	\$ 67,429,776
-	9,226,245	9,226,245	0
-	505,609	9,887,609	12,773,043
-	-	2,196,000	1,725,800
-	-	0	0
-	-	549,000	1,662,427
138,145	19,652	4,548,432	4,967,948
<u>\$ 151,633</u>	<u>\$ 9,751,742</u>	<u>\$ 110,171,301</u>	<u>\$ 88,558,994</u>
\$ 105,463	\$ 8,053,727	\$ 24,696,111	\$ 14,571,017
-	-	56,775,079	47,634,421
262,153	-	16,896,153	16,226,645
32,769	274,245	13,730,851	11,560,593
-	473,626	3,092,376	2,388,715
-	-	(5,087,000)	84,189
-	1,211	649,644	158,607
-	-	0	10,000
16,255	1,516,850	2,008,380	2,830,434
<u>\$ 416,640</u>	<u>\$ 10,319,659</u>	<u>\$ 112,761,594</u>	<u>\$ 95,464,621</u>
<u>\$ (265,007)</u>	<u>\$ (567,917)</u>	<u>\$ (2,590,293)</u>	<u>\$ (6,905,627)</u>
\$ 264,710	\$ 1,085,254	\$ 16,821,316	\$ 14,442,101
-	-	42,392	43,298
<u>\$ 264,710</u>	<u>\$ 1,085,254</u>	<u>\$ 16,863,708</u>	<u>\$ 14,485,399</u>
\$ (297)	\$ 517,337	\$ 14,273,415	\$ 7,579,772
-	-	0	0
\$ (297)	\$ 517,337	\$ 14,273,415	\$ 7,579,772
117,071	5,797,271	91,469,045	75,482,148
<u>\$ 116,774</u>	<u>\$ 6,314,608</u>	<u>\$ 105,742,460</u>	<u>\$ 83,061,920</u>

STATE OF VERMONT
COMPONENT UNITS-PROPRIETARY ENTITIES
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(With comparative totals for the fiscal year ended June 30, 2000)

	Vermont Student Assistance Corporation 06/30/01	Vermont Economic Development Authority 06/30/01	Vermont Center For Geographic Information 06/30/01
Cash Flow from Operating Activities:			
Cash received from customers.....	\$ 163,226,000	\$ 9,028,322	\$ 282,784
Cash paid to suppliers for goods and services.....	(86,767,000)	(2,629,424)	(104,296)
Loans received (made).....	(240,677,000)	(12,951,793)	-
Cash paid to employees for services.....	(15,248,000)	(1,706,422)	(335,070)
Interest received (paid).....	50,253,000	5,533,628	3,086
Net Cash Provided (Used) by Operating Activities.....	\$ (129,213,000)	\$ (2,725,689)	\$ (153,496)
Cash Flows from Noncapital Financing Activities:			
Operating Transfers In - Primary Government.....	\$ 14,912,000	\$ 307,336	\$ 252,016
Line of Credit.....	-	-	(23,000)
Proceeds from Advances From Primary Government.....	-	39,947	-
Proceeds from Sale of Notes/Bonds Payable.....	185,890,000	7,642,500	-
Payments on Notes/Bonds.....	(72,355,000)	(3,984,133)	-
Net Cash (Used) by Noncapital Financing Activities.....	\$ 128,447,000	\$ 4,005,650	\$ 229,016
Cash Flows from Capital & Related Financing Activities:			
Acquisition & Construction of Fixed Assets.....	\$ (805,000)	\$ (101,032)	\$ (9,675)
Net Cash Provided (Used) by Capital & Related Financing Activities.....	\$ (805,000)	\$ (101,032)	\$ (9,675)
Cash Flows from Investing Activities:			
Investment Interest Income.....	\$ 11,360,000	\$ -	\$ -
Purchase of Investments (NET).....	-	(7,338,799)	-
Redemption of Investments (NET).....	5,205,000	8,154,706	-
Net Cash Provided (Used) by Investing Activities.....	\$ 16,565,000	\$ 815,907	\$ 0
Net Increase (Decrease) In Cash and Cash Equivalents.....	\$ 14,994,000	\$ 1,994,836	\$ 65,845
Cash and Cash Equivalents at July 1, as restated	241,846,000	14,640,447	19,726
Cash and Cash Equivalents at June 30.....	\$ 256,840,000	\$ 16,635,283	\$ 85,571
Reconciliation of Operating Income to Net Cash by Operating Activities:			
Net (Operating) Income (Loss).....	\$ (2,879,000)	\$ 1,329,208	\$ (207,577)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation and Amortization.....	\$ 2,447,000	\$ 98,402	\$ 16,548
(Increase) Decrease in Inventory.....	-	-	-
(Increase) Decrease in Accounts Receivable.....	-	-	6,369
Through Foreclosure.....	-	-	-
(Increase) Decrease in Accrued Interest Receivable-Loans.....	(2,381,000)	221,488	-
Receivable-Investments.....	(10,489,000)	-	-
Collections on Notes and Mortgages Receivable.....	-	7,494,981	-
Issuance of Notes and Mortgages Receivables.....	-	(12,923,666)	-
(Increase) Decrease in Due from Other Funds.....	898,000	-	-
(Increase) Decrease In Other Receivables.....	34,000	-	-
(Increase) Decrease in Prepaid Expenses.....	-	-	(12,524)
(Increase) Decrease in Student Loan Receivables.....	(108,581,000)	-	-
Increase (Decrease) in Allowance for Uncollectible Accounts.....	-	648,433	-
(Increase) Decrease in Other Assets.....	(36,000)	(560,127)	-
Increase (Decrease) in Accounts Payable.....	810,000	(92,532)	(9,074)
Increase (Decrease) in Accrued Salaries and Benefits.....	-	-	91
Increase (Decrease) in Accrued Interest Payable.....	(875,000)	17,790	-
Increase (Decrease) in Due to University of Vermont.....	-	-	(1,133)
Increase (Decrease) in Deferred Revenue.....	(879,000)	(23,311)	53,052
Increase (Decrease) in Due to Other Governments.....	(6,534,000)	(334,075)	-
Increase (Decrease) in Due to Other Funds.....	(898,000)	1,376,255	-
Increase (Decrease) in Other Liabilities.....	150,000	21,465	752
Total Adjustments.....	\$ (126,334,000)	\$ (4,054,897)	\$ 54,081
Net Cash Provided (Used) by Operating Activities.....	\$ (129,213,000)	\$ (2,725,689)	\$ (153,496)

Vermont Sustainable Jobs Fund 06/30/01	Vermont Veteran's Home 06/30/01	Totals	
		6/30/2001	Restated 6/30/2000
\$ 301,702	\$ 9,473,232	\$ 182,312,040	\$ 186,583,979
(423,423)	(4,017,164)	(93,941,307)	(78,218,330)
-	-	(253,628,793)	(228,810,810)
-	(5,692,597)	(22,982,089)	(15,109,710)
13,488	236	55,803,438	46,603,539
<u>\$ (108,233)</u>	<u>\$ (236,293)</u>	<u>\$ (132,436,711)</u>	<u>\$ (88,751,132)</u>
\$ 264,710	\$ 281,177	\$ 16,017,239	\$ 3,220,157
-	-	(23,000)	23,000
-	-	39,947	11,994
-	-	193,532,500	221,885,048
-	-	(76,339,133)	(48,276,446)
<u>\$ 264,710</u>	<u>\$ 281,177</u>	<u>\$ 133,227,553</u>	<u>\$ 176,863,753</u>
\$ -	\$ (44,884)	\$ (960,591)	\$ (2,968,044)
0	0		
<u>\$ 0</u>	<u>\$ (44,884)</u>	<u>\$ (960,591)</u>	<u>\$ (2,968,044)</u>
\$ -	\$ -	\$ 11,360,000	\$ 7,278,309
-	-	(7,338,799)	(8,208,789)
-	-	13,359,706	10,900,000
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 17,380,907</u>	<u>\$ 9,969,520</u>
\$ 156,477	\$ 0	\$ 17,211,158	\$ 95,114,097
110,963	50	256,617,186	161,503,459
<u>\$ 267,440</u>	<u>\$ 50</u>	<u>\$ 273,828,344</u>	<u>\$ 256,617,556</u>
<u>\$ (265,007)</u>	<u>\$ (567,917)</u>	<u>\$ (2,590,293)</u>	<u>\$ 6,926,212</u>
\$ 2,019	\$ 473,626	\$ 3,037,595	\$ 2,346,165
-	25,758	25,758	0
-	103,417	109,786	(2,481)
-	-	0	10,000
-	-	(2,159,512)	(3,915,741)
-	-	(10,489,000)	(7,927,140)
-	-	7,494,981	8,129,849
-	-	(12,923,666)	(10,510,260)
-	-	898,000	558,937
32,779	(329,541)	(262,762)	433,240
-	-	(12,524)	(5,345)
-	-	(108,581,000)	(84,963,899)
-	-	648,433	158,607
-	(180)	(596,307)	16,408
(8,802)	77,253	776,845	(272,283)
-	62,480	62,571	5,648
-	-	(857,210)	1,180,809
-	-	(1,133)	(28,481)
130,778	(52,150)	(770,631)	(988,823)
-	-	(6,868,075)	(75,602)
-	-	478,255	(297,800)
-	(29,039)	143,178	470,848
<u>\$ 156,774</u>	<u>\$ 331,624</u>	<u>\$ (129,846,418)</u>	<u>\$ (95,677,344)</u>
<u>\$ (108,233)</u>	<u>\$ (236,293)</u>	<u>\$ (132,436,711)</u>	<u>\$ (88,751,132)</u>

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**STATE OF VERMONT
REVENUES BY SOURCE
GENERAL AND SPECIAL REVENUE FUNDS
FOR THE LAST TEN FISCAL YEARS
(Expressed in Thousands)
FOR THE YEAR ENDED JUNE 30**

SOURCE	2001	2000	1999	1998
Taxes.....	\$ 1,590,023	1,529,513	\$ 1,092,581	\$ 981,170
Licenses, Fees and Fines.....	115,679	112,416	105,770	99,334
Interest on Investments.....	12,814	11,549	9,410	7,217
Federal.....	849,191	847,345	752,470	690,679
Departmental Services.....	10,862	17,276	15,821	18,156
Other.....	56,032	48,706	51,179	66,979
Total General and Special Revenue Fund Revenues.....	\$ 2,634,601	2,566,805	\$ 2,027,231	\$ 1,863,535

**STATE OF VERMONT
EXPENDITURES BY FUNCTION
GENERAL AND SPECIAL REVENUE FUNDS
FOR THE LAST TEN FISCAL YEARS
(Expressed in Thousands)
FOR THE YEAR ENDED JUNE 30**

FUNCTION	2001	2000	1999	1998
General Government.....	\$ 80,716	\$ 65,444	\$ 57,953	\$ 111,280
Protection.....	137,703	128,521	125,349	113,118
Human Services.....	909,237	909,481	822,652	770,663
Employment and Training.....	25,999	27,631	25,998	23,927
General Education.(1).....	883,908	884,919	486,572	304,217
Natural Resources.....	79,497	81,006	71,088	57,898
Development.....	33,747	30,167	40,296	32,366
Transportation.....	294,266	266,797	245,902	228,550
Debt Service.....	73,896	74,855	72,067	69,952
Other	13,390	6,063	2,823	7,135
Total General and Special Revenue Fund Expenditures.....	\$ 2,532,359	\$ 2,474,884	\$ 1,950,700	\$ 1,719,106

- (1) Beginning in Fiscal Year 1995, payments for higher education have been reclassified from expenditures to transfers to component units.
- (2) Beginning with Fiscal Year 1996, all figures are reported on the modified accrual basis as compared to the cash basis for fiscal years 1990 through 1995.
- (3) Beginning in 1999, the new Education Fund is included in the above schedules.

<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>	<u>1992</u>
\$ 867,845	\$ 794,815	\$ 741,639	\$ 764,862	\$ 735,753	\$ 711,608
94,709	93,207	88,076	81,896	76,303	72,813
9,524	8,105	7,066	2,984	4,781	7,947
599,699	551,037	536,122	522,770	475,602	420,879
17,899	23,829	42,510	53,225	57,168	56,886
63,293	63,426	79,119	95,287	80,303	77,876
<u>\$ 1,652,969</u>	<u>\$ 1,534,419</u>	<u>\$ 1,494,533</u>	<u>\$ 1,521,024</u>	<u>\$ 1,429,910</u>	<u>\$ 1,348,009</u>

<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>	<u>1992</u>
\$ 74,550	\$ 72,068	\$ 68,552	\$ 81,628	\$ 77,469	\$ 76,180
101,657	99,908	93,235	86,578	85,303	87,382
717,400	670,388	655,767	613,161	567,640	527,216
19,193	21,530	21,893	21,264	21,727	18,359
289,016	272,189	271,502	330,736	324,941	320,991
48,842	48,163	50,072	44,103	47,297	50,101
24,274	22,518	20,316	30,650	24,853	24,420
189,366	192,241	180,768	192,251	187,830	165,840
68,335	66,519	58,672	51,505	54,623	57,730
15,609	11,535	29,997	33,092	35,801	34,643
<u>\$ 1,548,242</u>	<u>\$ 1,477,059</u>	<u>\$ 1,450,774</u>	<u>\$ 1,484,968</u>	<u>\$ 1,427,483</u>	<u>\$ 1,362,862</u>

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STATE INDEBTEDNESS

State Indebtedness and Procedure for Authorization

The State has no constitutional or other limit on its power to issue obligations or incur indebtedness by borrowing only for public purposes. In 1989, the Institution Committees of the House and Senate recommended the creation of a Capital Debt Affordability Advisory Committee responsible for overseeing long-term capital planning for the State. The Committee was created by the 1990 General Assembly. Bonds authorized for a given fiscal year may, at the discretion of the State Treasurer with the approval of the Governor, be issued in the fiscal year or in subsequent fiscal years.

The State Constitution does not contain provisions requiring submission of the question of incurring indebtedness to a public referendum. The authorization and issuance of State debt, including the purpose, amount, and nature thereof, the method and the manner of the incurrence of such debt, the maturity and of repayment thereof, and other related matters are statutory. The State's Public Improvement bonds and State's Transportation and Highway bonds are paid respectively from the State's General Fund and Transportation Fund.

Pursuant to various appropriation acts, the State has authorized and issued general obligation bonds for a variety of projects or purposes. Each appropriation act usually specifies projects or purposes and the amount of General Fund or Transportation Fund bonds to be issued, and provides that General Fund or Transportation Fund bonds shall be issued in accordance with the Debts and Claims provisions of the General Obligation Bond Law.

Pursuant to the Refunding Bond Act, the State has authorized the issuance of general obligation bond refund or to advance refund all or any portion of one or more issues of outstanding general obligation bonds. Most provisions of the General Obligation Bond Law apply to the issuance of such refunding bonds.

In general, the State has borrowed money by issuing general obligation bonds and notes for the payment of which the full faith and credit of the State are pledged. The State, however, also has established certain statewide authorities which have the power to issue revenue bonds and to incur, under certain circumstances, indebtedness for which the State has contingent or limited liability.

There are no State constitutional provisions limiting the power of the General Assembly to impose any tax on property or income in order to pay debt service on general obligation indebtedness. There are also no constitutional provisions limiting the power of the General Assembly to enact liens on or pledges of State revenues or taxes or the establishment of priorities, for payment of such debt service. There are no express statutory provisions establishing any priorities in favor of holders of general obligation indebtedness over other valid claims against the State.

The State has never defaulted on the punctual payment of principal or interest on any general obligation indebtedness and has never attempted to prevent or delay such required payments.

Debt Statement

The following table sets forth as of the dates indicated the outstanding general obligation bonded indebtedness, Contingent Liabilities and Lease Purchase Obligations of the State. For the first time, the net tax support for the Vermont Education and Health Buildings Finance Agency Revenue Bonds (Vermont Council of Developmental Mental Health Services Acquisition Program) Series 1999A and Series 1999B that were sold during fiscal year 1999. The Series 1999A bonds are tax-exempt obligations issued in the initial par amount of \$7,125,000 and the Series 1999B bonds are taxable obligations in the initial par amount of \$385,000. The State provides approximately 80% financial support for the Program.

DEBT STATEMENT
As Of June 30, 2001
(In Thousands Of Dollars)

General Obligation Bonds*:

General Fund	\$ 417,791
Transportation Fund	17,282
Special Fund	19,815

General Fund Support:

Vermont Education & Health Buildings Finance Agency	6,640
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Contingent Liabilities

VEDA Family Farm Loans	2,472
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Reserve Fund Commitments

Vermont Municipal Bond Bank	403,120
Vermont Housing Finance Agency	55,405
VEDA Commitment	25,000

Gross Direct and Contingent Debt	\$ 947,525
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Less:

Contingent Liabilities	2,472
Reserve Fund Commitments	483,525

Net Tax Supported Debt	\$ <u>461,528</u>
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*Excludes general obligation bonds which were refunded in advance of their scheduled maturities in October 1991, September 1992, September 1993, and April 1998 with the issuance of general obligation refunding bonds.

RATIO OF GENERAL OBLIGATION BONDED DEBT TO ASSESSED TAXABLE PROPERTY
VALUE AND GENERAL OBLIGATION BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS

Year	Population (1000's) (1)	Assessed Value (Billions) (2)	Bonded Debt (1000's) (3)	Bonded Debt	
				Ratio To Assessed Value	Per Capita
2001	(a)	37.44	480,443	1.28%	(a)
2000	609	36.27	527,300	1.45%	866
1999	594	35.5	537,791	1.51%	905
1998	592	35.99	581,990	1.62%	983
1997	589	34.80	555,905	1.60%	944
1996	586	34.30	543,800	1.59%	928
1995	585	34.23	536,625	1.57%	917
1994	582	33.52	432,764	1.29%	746
1993	576	31.28	369,547	1.18%	642
1992	570	28.58	426,299	1.49%	748

(a) Not Yet Available

(1) U.S. Department of Commerce - Bureau of Economic Analysis

(2) Vermont Tax Department, Division of Property Valuation and Review, Annual Report

(3) Annual Report of Commissioner of Finance and Management

NOTE: Since 1987, the State's property values have been equalized annually as of January 1 for property values as of April 1 of the previous year for purposes of distributions to and assessments upon municipalities.

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL BONDED DEBT TO TOTAL GENERAL FUND EXPENDITURES

<u>Fiscal Year</u>	<u>Total Principal and Interest Paid</u>	<u>Total General Fund Expenditures</u>	<u>Percent of Debt Service to General Fund Expenditures</u>
2001	\$ 68,376,276	\$ 554,819,262	12.3%
2000	68,617,331	531,022,437	12.9%
1999	66,056,281	483,978,505	13.6%
1998	66,073,612	674,868,655	9.8%
1997	64,049,337	632,767,461	10.1%
1996	61,494,937	624,733,701	9.8%
1995	53,018,022	614,895,686	8.6%
1994	44,190,968	638,872,825	6.9%
1993	47,165,489	622,227,550	7.6%
1992	50,970,777	630,676,158	8.1%

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
TRANSPORTATION BONDED DEBT TO TOTAL TRANSPORTATION FUND EXPENDITURES

<u>Fiscal Year</u>	<u>Total Principal and Interest Paid</u>	<u>Total Transportation Fund Expenditures</u>	<u>Percent of Debt Service to Transportation Fund Expenditures</u>
2001	\$ 3,131,320	\$ 345,005,330	0.9%
2000	3,789,207	318,156,255	1.2%
1999	3,844,747	273,670,237	1.4%
1998	3,903,053	257,410,313	1.5%
1997	4,422,889	227,054,831	2.3%
1996	5,109,202	221,500,451	2.7%
1995	5,653,983	212,260,877	2.5%
1994	5,428,320	220,123,872	3.4%
1993	7,457,054	218,499,157	3.5%
1992	6,759,005	193,094,271	3.7%
1991	7,145,854	195,224,674	4.4%

The figures shown above are actual cash paid out, which are different than the GAAP based figures reported on the financial statements.

PROPERTY VALUES AND TAXES IN VERMONT
Last Ten Fiscal Years

Property Valuation

From 1987 to 1992, the State's property values were equalized annually on January 1 for property values as of the previous calendar year by the Vermont Tax Department, Division of Property Valuation and Review, for purposes of distributions to and assessments upon, municipalities. Prior to 1987 and during the years 1992 through 1996, values were equalized on an annual basis. With the passage of Act 60 of the 1997 Legislative session, the values will continue to be equalized on an annual basis which will make available more current data for the calculations of municipalities' school tax liabilities and school aid.

The following table sets forth an abbreviated history of property values and taxes in Vermont for the period April 1, 1992 to the present (in millions of dollars.)

Years	Equalized Grand List (a)	Grand List (b)	Total Taxes (c)	School Taxes (d)	Total Effective Tax Rate (e)	School Effective Tax Rate (f)
2001	\$ 429.3	\$ 386.5	\$ 869.6	\$ 621.3	2.05	1.50
2000	404.9	375.4	816.0	580.4	2.06	1.50
1999	381.7	359.9	712.3	493.2	1.93	1.37
1998	376.3	348.0	704.1	499.9	1.85	1.33
1997	376.3	343.0	678.7	483.4	1.85	1.33
1996	-	342.0	661.1	460.2	1.76	1.22
1995	376.0	335.0	634.3	435.5	1.76	1.22
1994	-	313.0	599.8	412.1	1.64	1.13
1993	366.0	301.0	569.2	382.8	1.64	1.13
1992	-	285.0	547.9	365.4	1.50	1.00

Equalized Grand List: 1% of equalized values

Grand List: 1% of listed value

Total Taxes: Total taxes assessed

School Taxes: portion of total taxes assessed raised for schools

Total Effective Tax Rate: estimate of what total tax rate per \$100 of equalized value would be if all property was assessed at 100% of value

School Effective Tax Rate: estimate of what school tax rate per \$100 of equalized value would be if all property was assessed at 100% of value

SOURCE: Vermont Tax Department, Division of Property Valuation and Review', Annual Report.

Demographic Statistics
Last Ten Years
Employment Statistics

Year	Population (000) (b)	Per Capita Income (a) Year Ended 12/31 (a)	Labor Force (000) (c)	Employment (000) (c)	Average Annual Unemployment Rate (c)
2001	(1)	(1)	(1)	(1)	(1)
2000	608	26,904	341	332	2.7%
1999	594	25,514	336	323	3.0%
1998	591	24,557	330	319	3.4%
1997	589	23,037	327	313	4.4%
1996	586	22,029	324	309	4.6%
1995	585	21,147	319	305	4.2%
1994	580	20,389	315	300	4.7%
1993	576	19,667	316	299	5.5%
1992	570	19,216	310	290	6.7%

(1) Not yet available.

Sources:

- (a) U.S. Department of Commerce - Bureau of Economic Analysis
- (b) U.S. Department of Commerce - Bureau of Labor Statistics
- (c) Vermont Department of Employment and Training

The following table sets forth the State's non-agricultural wage and salary employment by industry for calendar years 1998 through 2000.

Vermont Non-Agricultural Wage and Salary Employment by Industry

	1998		1999		2000	
	<u>Employment</u>	<u>%</u>	<u>Employment</u>	<u>%</u>	<u>Employment</u>	<u>%</u>
<u>Manufacturing</u>						
Durable Goods	32,650	11.5%	32,650	11.2%	33,650	11.3%
Nondurable goods	15,250	5.4%	15,250	5.2%	15,150	5.1%
<u>Non-manufacturing</u>						
Construction	13,800	4.8%	14,500	5.0%	14,800	5.0%
Transportation and Public Utilities	12,450	4.4%	12,300	4.2%	12,350	4.1%
Wholesale Trade	12,350	4.3%	12,600	4.3%	12,750	4.3%
Retail Trade	52,950	18.6%	54,400	18.7%	55,350	18.6%
Financial, Insurance & Real Estate	12,200	4.3%	12,500	4.3%	12,350	4.1%
Services	86,400	30.3%	89,050	30.5%	91,550	30.7%
Government	46,200	16.2%	47,650	16.3%	49,550	16.6%
Other	600	0.2%	600	0.2%	650	0.2%
Total -- Non-Farm	<u>284,850</u>	<u>100.0%</u>	<u>291,500</u>	<u>100.0%</u>	<u>298,150</u>	<u>100.0%</u>

SOURCE: U.S. Bureau of Labor Statistics, Vermont Department of Employment & Training, Current Employment Statistics Series

According to the latest data from the U.S. Bureau of the Census (March 2000) Vermont population has a significantly higher level of educational attainment than the U.S. population as a whole. The table below shows that a total of 90% of Vermont's residents aged 25 years and over have completed a high school education, a level which ranks Vermont significantly above the 84% that have done so nationally. In addition, these data also show that more than 28.8% of Vermont residents in that same age category have received a four-year college degree. That percentage compares favorably to the 26% of residents aged 25 years and older who have received such a 4-year degree nationally.

**Educational Attainment Vermont and U.S.
Persons Aged 25 Years and Over
As of March 2000**

Level of Education	<u>Percent of Vermont Population</u>	<u>Rank in U.S.</u>	<u>Percent of U.S. Population</u>
HIGH SCHOOL:			
High School Graduate or More	90.0%	6	84.0%
COLLEGE:			
Bachelor's Degree or More	28.8%	7	26.0%

SOURCE: Bureau of the Census, Educational Attainment in the U.S., Current Population Report, March 2000

An update of 1990 Census data for 1996 also indicate that Vermont's population is primarily rural. A total of 72.3% of the state's population lived outside of the state's single metropolitan area - the second highest percentage among the 50 states (trailing only the state of Montana at 76.5%). Vermont's percentage was nearly 3 1/2 times the national average percentage of persons living outside of metropolitan areas (20.2%), and was roughly five times the average for the northeastern region.

INCOME AND SALES TAX RATES*
Last Ten Fiscal Years

<u>Fiscal Year Ended June 30</u>	<u>Individual Income Tax (1)</u>	<u>Corporate Income Tax (2)</u>	<u>Retail Sales Tax</u>	<u>Meals & Rooms Tax (3)</u>
2001	3.6% - 9.5%	7.0% - 9.75%	5%	9%
2000	24%	7.0% - 9.75%	5%	9%
1999	25%	7.0% - 9.75%	5%	9%
1998	25%	7.0% - 9.75%	5%	9%
1997	25%	7.0% - 9.75%	5%	9%
1996	25%	5.5% - 8.25%	5%	7%
1995	25%	5.5% - 8.25%	5%	7%
1994	25%	5.5% - 8.25%	5%	7%
1993	28% - 34%	5.5% - 8.25%	5%	8%
1992	28% - 34%	5.5% - 8.25%	4% - 5%	8%

* Source: Vermont Department of Taxes

(1) In 2001 the Individual Rate is calculated from tax tables designed to substantially maintain the State's tax rate that was in effect prior to the passage of the recently enacted federal tax cut.

Individual Rate stated is percentage of Federal Tax Due - had tiered rates from 1992 through 1993.

(2) Corporate Tax Rate is Graduated - Only the Upper and Lower Rates are shown- Minimum Corporate Tax amount = \$250.00.

(3) Beginning June, 1989, Alcoholic Beverages are taxed at 10% rate.

Largest Employers

The following table sets forth, as of December 2000, the ten largest employers in Vermont and the nature of their business, exclusive of the State itself and the University of Vermont.

Ranking of Vermont's Ten Largest Private Sector Employers As of December 2000*

<u>Firm</u>	<u>Nature of Business</u>	<u>Size Code (Number of Employees)**</u>
International Business Machines	Semiconductors and Related Devices	3
Fletcher-Allen Health Care	Health Care	3
Price Chopper Stores	Retail Food	1
Ethan Allen, Inc.	Furniture	1
Killington, Ltd.	Lodging and Recreation	1
Hannaford Bros.	Retail Food	1
General Electric Company	Jet Engine Blades	1
Chittenden Trust Company	Financial Services	1
Middlebury College	Post-Secondary Education	1
Grand Union Stores of VT.	Retail Food	1

SOURCE: Vermont Department of Employment and Training.

* Data is for employees covered under Vermont's unemployment law. As such, contract employees are not included.

<u>** Size Code</u>	<u># of Employees</u>
0	500-999
1	1000-2999
2	3000-4999
3	5000+